

JPRS 75850

10 June 1980

West Europe Report

No. 1587



FOREIGN BROADCAST INFORMATION SERVICE

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DRAFT DEFENSE REPORT APPROVED BY UDF DEFENSE COMMITTEE

Paris LE MONDE in French 26 Apr 80 p 28

[Text] The bureau of the French Democratic Union (UDF) on Thursday 24 April unanimously approved the report prepared by the "defense" committee of UDF composed of political leaders, high officials, and former high-ranking officers and presided by Mr Jean-Marie Daillet, deputy from La Manche.

Entitled "A Defense Doctrine for France," this 78-page document will not be made public until after its final adoption on 28 May. The UDF bureau has in fact asked for several additions to the report--especially on naval affairs--and it has made modifications it details and in form of the original text, from which we are here presenting the most important extracts.

In broad outline, the committee says France should strengthen its ties with the allies, and in fact take the initiative for European consultations, especially with London and Bonn, in defense matters. The preparation and editing of the text led on several occasions to lively discussions within the UDF group. In particular, clear divergences of viewpoint, to say the least, appeared between advocates of Atlanticist ideas (most often supported by CDS members) and partisans of an approach which would be both national and European (notably the representatives of the Republican Party).

Before advancing its seven concluding proposals for "improving our security conditions," the UDF committee takes care to position itself behind the major texts--the presidential declaration at the Institute for High National Defense Studies and the preamble of the military program bill of 1976--which stake out the thought of Mr Valery Giscard d'Estaing on defense matters. But

it must be realized that some of the committee's statements go beyond even the most recent positions of the chief of state.

Whether in regard to the straightforward designation of the potential adversary--in this case the USSR--or to the affirmation of a necessary and almost automatic French solidarity with Europe, to allowing French forces to participate in "war games" in Central Europe, to the need for numerous tactical nuclear weapons, or even to the organizing of an armed struggle against a home front paralyzed by subversion, the thoughts of the committee seem to indicate that the military experts of the UDF have pushed to its logical conclusion the idea of solidarity with the allies. The previous doctrinal ambiguity, voluntarily maintained, is gone, and France's place in the Atlantic and European camp is reaffirmed.

Beyond the unique characteristics which, according to the UDF advisers, still distinguish the French defense effort from that of its NATO neighbors and the EEC, the leading idea of the committee clearly rests on this call for an organic harmonization of France and its allies in a common defense perspective. Several months ago the president of the republic, to whom two copies of this document were given, chose to hold off on the subject of European defense until a more opportune time.

Is the UDF committee document simply an idea for further consideration, which will be presented in May to the RPR [Rally for the Republic], or is it, already, a prophesy outlining what will one day be the orientation of French defense policy? It is difficult to determine. For the moment, the weight of evidence goes to indicate that Mr Giscard d'Estaing, without to date modifying a military structure inherited from his predecessors in the Elysee, will be judged--and in an area which remains under the ultimate authority of the chief of state--on the organizational and armament decisions which he has said are imminent, and on the policy considerations which he has promised to make public on that occasion in explanation of his decisions.

After having noted that no government can "finesse the defense issue" by excluding the hypothesis that there is a risk of war, the UDF committee advances seven proposals:

1. Continuing the nuclear effort.

Efforts to improve the strategic nuclear force must not slacken, but equal attention must be paid to tactical nuclear weapons. "It must be recognized that nothing but an extensive tactical nuclear arsenal, and one with good operational effectiveness, can counterbalance the potential adversary's enormous superiority in classical weaponry..."

Among the means that given "to deterrence a total and not just partial character," must "certainly figure prominently the tactical nuclear weapons, which complement the classical land, sea, and aerial forces in a tactical concept which is itself part of the overall strategic concept."

"The choice is thus clear: the structure of European defense must be designed to give battle, with the support of numerous tactical nuclear weapons."

2. Increased effort in the conventional domain

Organization, equipment, and instruction of conventional forces should give them great flexibility and not lock them into a single type of engagement.

3. The security of the "home front"

The committee wants the government to give priority to the security of the [nation's] territory, of which civil defense is an integral part.

"Subversion, by distorting information and weakening determination, tries not only to conquer, but also to convince (...) The Soviet Union has at its disposal a subversive capability which is built into the system (...) It is no longer just a territory or a province which is at stake, as in former times, but the soul of an entire population. In this respect our societies (...) offer a field of action singularly favorable to the undertakings of a determined adversary (...) Let us not deceive ourselves; the "home front" will be the first to be attacked: it is vital to prepare ourselves for the fight against subversion.

"In particular we must without further delay prepare for the first battle that civil defense will have to fight: forestalling, in case of a grave crisis, the birth and blind action of an "army of protest" against which military defense would be powerless (...) The civilian defense must canalize, protect, reassure."

4. Adequate financial effort

"The share of the GNP dedicated to defense should be increased, to reach 4 percent, a reasonable goal, by 1982," the last year of the present military program.

5. Maintaining and improving conscription

"The draft army, based on the widest possible military service and a medium duration of service which, for reasons of efficiency, should not be less than 1 year, appears to be the best system for France, though it could be modified."

The committee proposes to establish "a true national service providing sufficient active-duty soldiers to guarantee the internal security of the country, especially in civil defense respects."

6. Atlantic solidarity and European consultations

"The Soviet Union is past master at the game of destabilization. Direct or indirect, the threat is "one" and does not begin on our borders. It does not seem an exaggeration to speak of dangerous imbalance in Europe. It directly, concerns France."

Rejecting "a solitary defense" which leads to a situation "of fragile neutrality," the committee believes that "French defense is necessarily a part of the European theater, the unique theater for an eventual conflict." It calls for "close, active, and constant cooperation" with the allies, starting in peacetime, and especially on the seas.

"Insofar as Europe is concerned, the autonomy which France retains by refusing to place its forces in an inter-allied group whose authority is designated in peacetime does not imply refusal to consult with the countries to which it is bound by defense accords, to undertake necessary coordination efforts and, in case of necessity, to take action, for the latter would be ineffective if not prepared in advance. The Atlantic alliance is for France a primary element of its defense, one which, far from contradicting, in fact complements' the national nuclear deterrent. France's security would be at stake with the first battle in Europe. The participation of French forces cannot, therefore, be in doubt. There must be no doubt as to France's commitment. Its contribution to the conflict must be defined unambiguously, even if it reserves to itself the decision when to engage its forces. We remain convinced of American solidarity, without which, moreover, the defense of Europe is an illusion."

"France, strong in its policy of independence and strong in its nuclear capability, should take the initiative in consultations with Europe on defense matters. The objective around which consensus could be built is the "European pillar" of the Atlantic alliance. What is essential today, for our security, is to strengthen the links with our allies. There can be no progress in the building of Europe politically as long as our partners are not fully convinced of our solidarity."

"European defense developments require the nuclear problem to be addressed. France and Great Britain should, without neglecting to consult with their other European allies, embark on cooperative efforts in all possible areas: operational, technical, industrial."

7. The spirit of defense

The committee urges "national leaders at all levels and in particular those in education" to systematically cultivate "the spirit of defense."

"It is by warning the public more forcefully of new crises, by informing every person of his role and responsibilities, that the spirit of defense can be cultivated."

BRIEFS

PLUTON SUCCESSOR MISSILE--Development of a short-range nuclear missile successor of Pluton has been practically achieved. This new system, which, differently from Pluton, would not have to be mounted on a tracked chassis but, rather, on a wheeled vehicle, has been called Hades, for the present. It will undoubtedly have a greater range than Pluton and will be considerably smaller. Several studies are in progress in MATRA [Aeronautical Equipment and Production] and AEROSPATIALE [National Industrial Aerospace Company] with a view both to powder propellant solutions and air-breathing formulas, especially a direct derivative of the Samp air-to-surface missile is contemplated. The official decision should be announced rather rapidly.

[Text] [Paris AVIATION MAGAZINE INTERNATIONAL in French 15-30 Apr 80 p 16]
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CSO: 3100

PRO-SOVIET SPIES ARE INFILTRATING NATO

Brussels SPECIAL-L'EVENAIL in French 25 Apr 80 pp 7-10

[Article: "Belgium: the 'Four-Star' Country of the Spies"]

[Text] NATO is once again the theater of "spy mania" movements. This time it is a Belgian typist, Imelda Verrept, a resident of Steenhuffel in the Brussels suburbs, who has just fled to East Germany with her "Austrian," more probably East German, friend, whose reported name is W. Clugovatch, with whom she lived for many years and who is said to have worked in an air-conditioning firm in Brussels. Working in the pool,¹ she is not supposed to have had access to information of great importance. Thus one may ask whether Imelda Verrept, who is said to be the daughter of a former Flemish World War II collaborator, did not go over to the East simply to give substance to the notion that the Western defense circles are infiltrated by Soviet spies. It is said that Imelda Verrept, 35, was one of the pawns in this psychological undermining work that the East carries on in NATO circles--and which did not just start with this affair.

This, at least, is the official version of the facts. But one can legitimately ask whether Imelda Verrept fled to East Germany with elements of information prejudicial to Western safety. For our country, which does not have the legal notion of espionage, is itself becoming, by the force of events, a leading theater of this espionage.

As small as it is, Belgium is nonetheless a center of interest to the USSR and its satellite countries. The military and political domains are abundantly represented in it by the international organizations to which the country has offered hospitality. Both NATO and SHAPE and the Common Market are choice targets. And the working committees headquartered in Brussels show a form of espionage that is less well-known although just as active: the espionage that opens the door to the search for economic information. Finally, for the purposes of industrial espionage the dividing-line between military research and purely technical information is ill-defined.

It is obvious that Belgium has to deal with manifest approaches to it as poles of attraction which these international organizations...

aggression quite obviously orchestrated by the countries that do not belong to said organizations--although espionage between member states is not out of the question.

As for the information networks emanating from the Eastern bloc, they have their roots in the CHEKA, the ancestor of the KGB. The number of active agents of the KGB and of its military colleague, the GRU, can be estimated at 30,000 (1/6 of whom are at the four corners of the globe). The CIA is said to have only 17,000 personnel. And none of this includes the swarm of agents of all kinds who do not have a recognized official function within these organizations. While the Americans put forward the figure of 200,000 agents, the Russians have preferred to publish nothing on the subject. Nevertheless it can be estimated that in Belgium alone, they have more than 10,000 "sleeper" agents available to them. And when one speaks of Soviet espionage in Belgium, one should not believe it is limited solely to intelligence-gathering orchestrated by Moscow. It seems more than obvious that all the similar work done by the satellite countries ends up in the files of the KGB and the GRU. In speaking of Soviet espionage, this notion should be extended to the entire bloc of the East.

Foie Gras Causes the Loss of Tarass Boulba

Ten years ago, espionage was perceived in Belgium only as the dazzling activities of James Bond and other 117's. Today, in the light of several scandals that have broken out in NATO circles, among other places, one can no longer close one's eyes to this reality.

On 4 August 1969, Francis Roussilhe, French functionary in the NATO Secretariat, was arrested by Belgian security for "serious offenses against security." The man whom his colleagues had nicknamed "Tarass Boulba" because of his shaved head and a big moustache, had been able to hand over to a Romanian intelligence agent some 12,000 intelligence documents stamped "Limited Circulation," "Top Secret" and "Cosmic." Extradited to France and sentenced on 19 January 1971, by the Court of State Security, to 20 years in prison for espionage, he was to be conditionally released 7-1/2 years later. Tarass Boulba, who went into NATO in 1952 and who made it through month-ends by selling foie gras from his native Lot to some of his office colleagues, got himself signed up by the Romanian intelligence services because of this sideline business. After meeting up again in 1962 with a childhood friend who gave him orders on behalf of a Balkan friend, Francis Roussilhe soon found himself manipulated by this friend, who turned out to be Romanian and who, as if by chance, worked in food-processing.

Savich Betrayed by His Belgian Informer

The Savich episode, which the press sensationally named at the time "the Scaldia-Volga affair," is another example.

Moris Savich, GRU intelligence officer, worked from 1967 on in the Scaldia-Volga firm (a Belgian-Soviet joint company created in 1964). His cover was

more than respectable, since he was an engineer in the company and responsible for selling trucks in Belgium. But Savich, at the beginning of 1970, was far more interested in the Mirage 5 fighter-bombers that Belgium had just bought from France. And for this purpose, he approached a noncommissioned officer of the Florennes base, baiting him by offering him a more than comfortable commission on the Soviet vehicles that he might be able to peddle among his acquaintances. By this approach, Savich believed he had caught his Belgian victim. What he had not foreseen was that the noncommissioned officer informed his superiors and the state security forces. A trap set in a restaurant on the outskirts of Brussels was to enable the inspectors to arrest Savich, who thought he was dining tranquilly with his contact and who was getting ready to hand over a large sum of money to overcome his last hesitation, as well as a miniature camera for taking pictures of the Mirage "pilot course." Expelled from Belgium several days later, Savich returned to Moscow, where, to be sure, he did not receive the congratulations of his superiors.

There is no doubt that some fields are more susceptible than others to serving as grounds for approach or for development of espionage. It is easy for a spy to blend into diplomatic circles or those of the press, tourism or trade. The number of intelligence agents who have a legal cover in the embassies, trade delegations, airline companies, press organs, travel agencies or joint companies (Belgian and Soviet, Polish, East German, Hungarian, Czechoslovak or Bulgarian) of the countries of the East can be estimated at 40 percent. While it can be presumed that they are generally known to or spotted by the Belgian counterespionage services, they are nonetheless not disturbed by the latter (except in serious matters such as the Savich case), who prefer to exercise discreet surveillance rather than expel them. For sending these agents back to their countries would mean their immediate replacement by others who this time might not be known.

By way of example of agent infiltration into these privileged circles, we can mention an affair dating back to 1967 and involving the assistant chief of Aeroflot in Brussels, Vladimir Sheretun, who had attempted to obtain military documents from his Belgian correspondent.

Arrested by Belgian security, which had learned that he was trying to "penetrate" the control tower of the Melabroeck airport, he was expelled from Belgium. Two months later, it was the turn of the TASS correspondent, Anatoli Ogorodnikov, to be thrown out, at the same time as Vitali Balachov (third secretary in the Soviet embassy in Brussels) and Oleg Semikov (commercial attache of the "Sovkспортfilm" cinema firm). All three had had the mission of contacting in Brussels, at different times, an employee of SHAPE, signed up by the Russians as early as 1962, when she was in Tunis. The doings of this employee, who had resigned (without apparent reason) from the services of a NATO country's embassy for which she worked, then withdrew her resignation, and finally tried to get into SHAPE, intrigued the Belgian services, who put her under surveillance. It was her confessions that led to the expulsion of the three Soviets.

While people like Savich and Ogorodnikov were assigned to recruit agents on the spot, the mission of Chebotarev, who was second secretary in the Soviet embassy in Brussels and who in 1972 "went over to the West" to give the CIA information concerning a Soviet espionage network in Belgium, was quite a different one. After holding the position of commercial attache in Brussels, he asked for political asylum in the United States, and revealed there that 43 members of the Soviet embassy in Belgium belonged to the KGB or the GRU. At the same time, 15 members of Intourist and Aeroflot left Belgium of their own accord, while Chebotarev further stated that he had been assigned to eavesdrop on NATO telephone conversations by means of antennas located in a wooden cabin near the American embassy's buildings, and on the roofs of the USSR's trade delegation. These revelations were also to lead to the expulsion of three Soviet nationals in Belgium--namely, Oleg Glushenko and Yuri Parfenov (both employees of Aeroflot), as well as Konstantin Leontyev (GRU member), director of the Belso joint company.

The Woman Spy Lorenzen

We can also mention the mailbox that was discovered in 1970 by a father playing with his youngsters in a Boisfort park and that made it possible to expel its user, a man by the name of Ivanov, assistant chief of the Soviet commercial delegation. It is still wondered today whether the discovery of this mailbox was accidental or whether an outside element made it possible to reveal it.

As for the Lorenzen affair, disclosed at the beginning of this year, it is too recent to have been forgotten. Ursel Lorenzen, a German woman secretary to the British director of operations of the NATO Council, had access to important documents relating mainly to the preparation of NATO maneuvers.

It is possible that the arrest, 2 months earlier, of the secretary to the delegation to NATO, Ingrid Garbe, was at the bottom of the hasty departure of Lorenzen to the GDR. Ingrid Garbe, whose lover, a certain Willer--a florist on Boulevard Anspach, but most certainly an East German intelligence officer (MFS [Ministry for State Security])--is today awaiting judgment in the FRG. As for Ursel Lorenzen, who lived in Brussels in the same building as her friend Dieter Will--a German employed for 12 years in the Brussels Hilton and "secondarily" a GDR intelligence officer--she preferred to get to the GDR as fast as possible before being discovered, and did not hesitate to declare on East German television that she could no longer, in conscience, work for so murderous a cause as that of NATO.

The KGB's Psychological Warfare

It is not unreasonable to think that the Soviets centralize in Moscow the intelligence gleaned by the various agents of the East, who probably divide their tasks in function of the objectives. The East Germans certainly have more facilities than do the Slavs for penetrating the Common Market or NATO. And this remark is most certainly valid for all the international organizations to which the FRG belongs. Apart from this, generally speaking, espionage has lost the clandestine character that was its appanage in the time

of the "great War." It is not going too far to declare today that Soviet espionage is playing the card of the disintegration of the Western world. Indeed, there is nothing easier than to flatter Western journalists by inviting them to Eastern Europe to show them gilded facades and get them to write eulogies.

It is even a notorious fact--but a difficult one to prove--that KGB agents regularly "compensate" Belgian and foreign journalists residing in Belgium. And certain well-informed circles assert that functionaries of the RTBF, a state monopoly, are manipulated for tasks favorable to the KGB (propaganda, etc).

One may ask on the other hand whether Soviet espionage is not trying to undermine the Western population psychologically by creating an atmosphere of discontent propitious to strengthening the position of the groups of the left. One may also wonder whether the KGB is trying to retrieve anticommunist political refugees and bring them back into the fold. Thus, couldn't one simply speak of Soviet espionage aimed at destabilizing the West and strengthening the East by nonviolent efforts?

Russian Ships at the NATO Maneuvers

There is no question but that Belgium presently constitutes a focal point for Soviet military intelligence, if one believes the statements made just a few months ago by a Russian intelligence officer who chose liberty in Great Britain.

It should also be pointed out, in this regard, that military intelligence is easy to obtain in Belgium through the channel of the mass press as well as the specialized military press, or even from the bulletins of workers' organizations. By following such publications regularly, it is possible for an analyst to trace out the entire order of battle. And the officers' wives! Don't they tend to talk among themselves too much about one remark or another that their husbands dropped? We bet that it is not difficult for a Soviet military attache to know all the military promotions within a period of 3 to 6 months just by attending all the army's cocktail parties.

But when intelligence is not served up to the East's agents hot out of the oven, it sometimes offers itself to them with a minimum of effort. Isn't it curious that at every "Reforger" maneuvers of NATO's, a Soviet boat is found as if by chance in the ports of Gand and Antwerp, moored just a few dozen meters from the American landing craft?

Just as surprising are the Soviet trucks that always return to the USSR empty, in defiance of the most elementary principles of commercial profitability. Would it be far from reality to imagine the truck driver as a GRU officer making tactical observations?

Another curious phenomenon is the enormous number of three Soviet ships per day that unload at Antwerp. Would it really be difficult for them to drop

off "illegal" intelligence agents who would find it very easy to hide in one or another of the Belgian-Soviet joint companies in Antwerp?

Joint Companies: Economic Dumping

It may further be asked, as regards these joint companies, whether the Belgian legislation is not particularly favorable, the economic aspect notwithstanding, to the intrusion of elements capable of serving our adversaries. These companies, perfectly legal on the legislative level, might astonish some people.

It is curious that the Belgian-Polish company Cepelia has been permanently in the red for several years without having to close its doors.

Strange also are the antennas nested on the roof of Scaldia-Volga (a Belgian-Soviet joint company whose premises are on Boulevard Leopold III just across the street from NATO)--though one might think that these antennas are a little small to be really effective.

Finally, one is surprised by the establishment of the Nafta oil company in Antwerp, which in case of crisis would make it possible to block the port's seaways completely. It should be noted in passing that National Defense made a contract with the joint company Nafta 2 years ago for some of its fuel purchasing. The Nafta company, which asked the lowest prices, won the bidding.

What would happen to the Belgian armed forces' oil supplies in case of crisis? Although this gasoline supplied by Nafta comes from the Middle East and transits via Rotterdam before arriving at Antwerp. This allows one to suppose that in case of conflict, Nafta itself might very well no longer be supplied. Therefore it seems more than probable that these joint companies are practicing a "dumping" policy with the unavowed aim of breaking the economy. Hasn't Lada carried on uncompetitive competition with Fiat?

The poisoning of a sick Western Europe is in full swing--all the more so in that the Eastern bloc finds in it a vast current of sympathy in the milieux of the left. And espionage, both military and industrial or political, must necessarily develop at a focal point such as Brussels--even Geneva.

"Spy" and "Secret Agent"

While the word "spy" has a distinctly pejorative character, its meaning varies depending on whether one considers it from the Western angle or from that of the Eastern bloc. If in our conception of things it designates someone assigned to spy on another's actions and report them, it is defined quite differently in the "Abridged Soviet Encyclopedia," which states: "Espionage is a crime that consists in collecting or stealing information coming under state secrecy for the purpose of passing it on to another state."

As for the term "secret agent," it does not have the same pejorative connotation.

The Soviet Intelligence Services

Intelligence in the USSR is divided between two services: the KGB--that is, the State Security Committee--and the GRU, the principal intelligence department of the Soviet General Staff. The latter comes under the Ministry of Defense, while the KGB, the more powerful of the two, comes directly under the USSR Council of Ministers.

While in theory the KGB has an espionage mission related to counterespionage, the GRU has a more specifically offensive role, concentrated in the military area.

--For those who like figures: among the nationals of the East residing in Belgium and enjoying diplomatic status, there are 110 Soviets, 54 Poles, and 30 East Germans.

The Belgian-Soviet Joint Companies in Belgium

Eleven in number, these companies, which are of a somewhat special type but are organized under Belgian law, are in some key activities in economic life. Elorg Belgique NV is in electronics, Russalmaz is in diamonds, Ferchimex does import-export, Scaldia-Volga sells vehicles, Belso sells Soviet merchandise and foodstuffs wholesale and retail, Nafta controls an important oil network, Sobelmarine is in maritime shipping, as are Allied Stevedores and Transworld Marine Agency. Finally, Stanbel is in machine tools, while East West Agency imports Soviet optical equipment.

As regards Elorg Belgique, it should be noted that a Dutch company connected with it was the subject of an espionage scandal several months ago, following the revelations by an employee of this Dutch company, who said that the company was copying, for the KGB, the confidential computer "data" that its customers gave it.

11267
CSO: 3100

INTERNATIONAL ENERGY AGENCY STUDIES COAL PRODUCTION INCREASE

Paris LE MONDE in French 24 Apr 80 p 35

[Text] The situation on the world petroleum market "is a little more relaxed" than what it was in 1979, according to an opinion expressed on Tuesday, 22 April, by the executive director of the International Energy Agency, Mr Ulf Lantzke. According to Mr Lantzke, this decline in the demand is due to the energy savings measures instituted and to the "very high" level of stocks in Western countries.

Questioned as to the interruption of deliveries of Iranian petroleum to Japan, the director of the IEA indicated that, if there were any "real and lasting decline," the IEA "would examine the situation." It is known that this agency (of which France is not a member) can trigger an emergency petroleum distribution plan if one of its 20 members suffers a reduction of at least 7 percent in its supply.

On Thursday and Friday, the IEA for the first time convened its CCIC (Coal Industry Consultative Committee). "Without any supplementary efforts by the Western countries, the coal output will be doubled only between now and the end of the century," declared Mr Lantzke. Now, according to the IEA, it is necessary to triple the world coal output between now and the year 2000 if we want to try to resolve the energy crisis. The CCIC experts must therefore examine the real coal potential over the next 20 years and prepare a list of obstacles (transportation and environment, in particular).

5058

CSO: 3100

SOVIET NATURAL GAS NEGOTIATIONS WITH WEST EUROPE, IRAN

Paris LE MONDE in French 8 Apr 80 p 17

[Article by D. V. : "USSR negotiating with Western firms on exploitation of gas deposits"]

[Text] Moscow. The Soviets are currently involved in a double series of negotiations with the Iranians, on one hand, and with several Western countries, on the other hand, concerning the sale and purchase of natural gas. These two series of negotiations are independent but nevertheless do have some points in common. Talks with Iran were suspended on 13 March since the Soviets considered the price demanded by the Iranians to be unacceptable. On 6 April, the Iranian petroleum minister ordered the total stop of natural gas exports to the USSR because of the "intransigent attitude" of the Soviets.

After several other officials of Western companies, Mr Delaporte, general manager of French Gas Company, during the second half of March held a series of talks in Moscow with Soviet officials. In particular he met with Messrs Baibakov, Gosplan [State Planning Committee of the Council of Ministers of the USSR] president; Orudzhev, minister of gas; Patolichev, minister of foreign trade; and Gvishiani, vice chairman of the State Committee for Science and Technology and co-chairman of the French-Soviet "Small Cooperation Commission."

The gas industry is one of the rare sectors which, during the 10th Five-Year Plan (1976-1980) attained the original targets. In 1979, the Soviet Union produced 406 billion cubic meters; it is to produce 435 this year. This is enough for its domestic needs. Moreover, in the case of gas--contrary to what is happening in the case of petroleum--it is not faced with the problem of dwindling proven resources, neither at this time nor in long-range terms.

The USSR nevertheless since 1970 had been importing Iranian gas in small quantities (about 10 billion cubic meters per year, or barely 3 percent of its consumption). These purchases enabled it, on the one hand, to obtain equivalent volumes intended for export to Western Europe, and, on the other hand, to supply its republics in the Caucasus with a good profit. After the Iranian revolution, exports to the USSR were reduced and then totally cut off after the floods which swept away a segment of the Igat 1 gas pipeline.

During recent negotiations, Soviet officials, who had made a reputation for themselves as pragmatic businessmen, were astonished once again to find themselves facing conversation partners who came up with political speeches and accused them of trying to "exploit" them, just like the capitalists, preferring to burn their gas rather than selling it at a lower price. The Soviets refused to tie the price of gas to the price of petroleum, indicating that Iranian gas was associated gas, that is to say, it was tied to petroleum extraction. Moscow supposedly proposed a ceiling price of \$2.31 per million of BTU (British Thermal Unit) which would enable it to re-sell this gas to Western Europe at competitive prices, whereas the Iranians were demanding \$3.63 per million BTU.

Deposit in Turkmenistan

It seems that the Soviets have decided to adopt a very firm position. They are in the process of seeking an alternate solution for the exploitation of a gas deposit in Turkmenistan, close to the Iranian border. This gas would be transported through pipes towards the Caucasus across the Caspian Sea. The USSR would like to get French companies involved in this project.

It seems, on the other hand, that the Igat 2 project--a triangular project involving Iran, the USSR, and Western Europe, which was supposed to enable several European companies, starting in 1981, to receive Soviet gas compensated for through the purchase, by the USSR, of Iranian gas--will not get off the ground.

France was to get 3.6 billion supplementary cubic meters next year under the provisions of Igat 2. It is a good idea not only to find alternate solutions but also to guarantee the long-term supply of Western Europe with natural gas. All countries are in a race for long-term contracts in order to assure themselves of a new flow of supplies while tackling the twin problem of quantity and price.

The USSR is ready to sell gas, although under certain conditions, both economic and political. In 1979, France imported 2.5 billion cubic meters of Soviet natural gas, or about 10 percent of its consumption. From that year onward, imports should reach 4 billion cubic meters. The countries

and the gas companies of Western Europe are currently discussing with the USSR a new gas pipeline project which would bring natural gas in from the deposits in Western Siberia. It is from this region that, during the eighties, any increase in Soviet gas (and also petroleum) output is to come. The gas pipeline is to have a capacity of 40-45 billion cubic meters per year. The project represents an investment of \$10 billion. The first deliveries of gas could take place in 1984-1985.

On this subject likewise, Soviet officials are adopting a firm negotiating attitude since they feel that they are in a position of strength. They are establishing economic conditions: financing must be guaranteed 100 percent by the consortium of Western companies; payment is to be made through total compensation by means of gas shipments; Soviet industry is to be involved in the work. In particular, this calls for the construction of a pipe factory with a capacity of 3 million tons per year which could be built in 3 years. The Soviets on the other hand would like to use very-large-diameter pipes (up to 144 centimeters), working under heavy pressure (up to 200 bars, whereas the current maximum is 70-75 bars). They have available for the Westerners a license from the Paton Institute of Kiev for multilayer pipes. They would not be unhappy to have the industrial development of their discoveries financed by their partners.

Ministries traditionally geared toward cooperation with the West are more interested in this project than the "technical" ministries which often feel that the USSR is capable of providing its own needs without having to call upon foreign technology and aid. As far as the Soviet economy officials are concerned, this new gas pipeline project does not seem to have priority in their development plan. Its implementation depends on the political determination of the Western Europeans to commit themselves to long-term economic cooperation with the USSR in an area as sensitive as the energy field, especially since the European companies could be involved in other projects here. The Soviets hope to resume studies on the North Star project prepared during the early seventies. The idea here was to conduct gas from the Northern regions of Western Siberia to Murmansk where it would be liquefied in order to be exported by a fleet of a score of methane tankers. This project also would take up several billions of dollars.

Finally, it is probable that the Soviets will include in their 11th Five-Year Plan (1981-1985) the exploitation of the gas deposit in Astrakhan, on the Caspian Sea. They could call on the experience of French companies for processing this sulfurous gas.

5058

CSO: 3100

REPORT ANALYZES CAUSES OF SWED-FINN EMIGRATION TO SWEDEN

Helsinki HUFVUDSTADSBLADET in Swedish 30 Apr 80 p 7

[Text] During the 1970's the emigration of Swedish-speaking Finns has been relatively three times greater than the emigration of the Finnish-speaking part of the population and in contrast to almost all other European emigration it has been based on aversion more than on attraction, in other words it has depended more on expulsion factors in the homeland than on demand factors in Sweden. This appears from the analysis section of the Swedish Emigration Committee's unanimous final report which also includes almost 50 pages of suggested steps to check the flow of emigration.

Since lack of confidence in the homeland seemed to be the common factor in all emigration decisions the recommendations in the report turned over by the committee yesterday to the minister of labor were aimed at increasing confidence in the Finnish social system. They included such things as steps to promote employment, further improvements in the working environment, housing policy measures, social security improvements, more adult education and improvements in other types of education as well as positive steps involving dual languages, culture, radio and TV, facilitating the return of emigrants and reforms in some principles and legislative details concerning citizenship.

Two Reasons

The Swedish Emigration Committee was appointed in June 1978 for the purpose of studying the causes and consequences of the emigration of the Swedish minority in Finland and presenting measures designed to reduce emigration. A preliminary report was submitted last March with proposals for steps that could be carried out immediately and now the final report has been submitted supplemented with an interview survey of emigrants living in Sweden.

The report was turned over to Minister Arvo Aalto yesterday by the committee with its chairman, Tom Sandlund, doctor of political science, and its vice chairman, Elly Sigfrids, theology student, acting as spokesmen.

It seems that in the period 1972-78 no less than 82 percent of the emigrants came from city areas and that it is mostly young people who emigrate. And as we mentioned before emigration pressures are much greater among Swedish-speaking Finns than in the rest of the population.

For one thing where their circumstances are comparable the Swedish-speaking minority has an easier time comparing conditions here with those in Sweden than the Finnish population. Another group of reasons has to do with the minority situation of Swedish-speaking Finns which is relatively new in some regions.

Both these factors contribute to the high emigration rate of Swedish-speaking Finns. In some cases, such as when the working climate is seen as unpleasant for language reasons, it is hard to separate these reasons. In other cases it is obvious that one of these groups of reasons dominated a decision to move out. And although the employment situation undoubtedly plays a part in the decision to emigrate by Swedish-speaking Finns, there are cases in which the minority situation is viewed as so difficult that it leads to emigration even when the job situation is generally good.

Negative Consequences

The big emigration by Swedish-speaking Finns has had many negative consequences. For the nation as a whole it is a national economic loss when young skilled and unskilled workers move out. Since to a large extent the Swedish minority workers are bilingual they represent in the opinion of the committee a resource the country as a whole should try to preserve. They also provide many legislated and necessary services for the Swedish-speaking population.

The disappearance of the most vital part of the population intensifies the rural problem for the Swedish minority. The basis for schools, culture and leisure activities, for organizations and institutions of various types, is reduced and there is an increased risk that a general dissatisfaction leading to more emigration will spread through the population. Against this background measures to combat the emigration of the Swedish minority are especially important.

In the course of the committee's work the need for a coordinated emigration policy in Finland came up several times. The committee calls for such a policy and notes with satisfaction that the delegation on emigrant affairs was asked to prepare suggestions to that end in the form of a statement on emigration policy principles. The committee hopes

the delegation will keep in mind the views presented in the committee's report and has sent the delegation a separate opinion report on the principles that should be followed in the area of emigration by Swedish-speaking Finns.

Employment, Job Security

Employment policy, which is of central importance with regard to counteracting emigration by the Swedish minority, has been dealt with on the basis of this importance for emigration. Since at present a parliamentary committee on employment legislation is working on a report covering general guidelines for employment policy this committee did not go into all aspects of employment policy but stressed measures motivated by the effort to combat emigration. The committee hopes that its views will be considered by the employment committee in the course of its work.

In the study conducted at the committee's request and presented as a separate appendix to the committee report it appears quite clearly that deficiencies in job security and in the job environment are often cited as reasons for emigration. Therefore the committee stresses the importance of taking steps in this area.

In the area of housing and social policy the need for measures to reduce emigration and remove obstacles to returning home again has been recognized. The committee made several recommendations in this area based on expert opinions and the data obtained from its own study.

In many instances the measures suggested in this area are of a general nature but they are regarded by the committee as important for emigration as a whole and often specifically important for Swedish minority emigration.

Steps to improve the status of the Swedish language in various areas and the access of Swedish-speaking Finns to equal service in their own language in the social, educational, cultural and recreational sectors have a more restricted focus. Planning for this sort of thing has become increasingly important as Swedish-speaking Finns have started to make up a minority in a growing number of areas. The need for a carefully considered minority policy against this background is more apparent in Finland today than it was in the past.

Measures Proposed

Of the measures proposed to reduce Swedish minority emigration and to facilitate this group's return the committee placed a high priority in the area of general economic policy on a high employment rate. The committee stressed the importance of an active business policy by the state as well as on the county and local level to improve employment.

To improve job security the committee proposed among other things an extension of firing notice periods, giving workers an interpreting representative in cases of disputed firings and raising the level of court actions in cases where employers ignore explicit firing regulations.

The committee proposes the development of social guarantees for young workers. The committee feels it is important to tie access to cheap housing in with the social guarantees. The committee stresses the importance of facilitating the acquisition of housing through the development of financing forms in line with those adopted in the Swedish investment system. In the committee's opinion the amortization period for housing loans should be extended considerably.

In the educational policy sector the committee recommends that the school administration undertake research and study different models of a more unified elementary school with greater funding for lower and higher grades in areas that are geographically or linguistically isolated. More room is recommended for job information and job skills in the elementary curriculum along with practical work experience for students in the last year of elementary school. The committee also underlines the need for an intensified vocational guidance program and the adoption of measures by labor and educational authorities to increase the number of job-training openings and guaranteed jobs after students have completed their education.

Finally the importance is stressed of developing adult education and expanding social support for studying so that people can make use of study leaves while maintaining their income levels.

Special Swedish Problems

With regard to measures more directly related to Swedish minority emigration or to language problems the committee points out that the Labor Ministry has several important tasks in the move to combat emigration. The committee recommends that the Swedish activity connected with the ministry be expanded and made more effective at the central level, at the district level and in local departments. The committee suggests the establishment of a Swedish unit within the Labor Ministry for which Swedish services would be set up in various departments within the ministry. To lead the Swedish activity a consultative civil service post should be created. At the district level the committee recommends that Swedish activities be given increased resources, especially in the Helsinki and Abo labor districts. Activity at local departments, especially in Mellan-Nyland, should also be improved through an increase in Swedish-speaking personnel.

The committee recommends a change in the language law so that employers in bilingual communities must provide all information concerning job

conditions in both Swedish and Finnish. The committee further suggests an extension of the supplemental language system to include all state and municipal employees. Especially important areas are administration, services and custodial care and here the supplemental language should apply to both public and private employees.

Returning Home Should Be Easier

To facilitate returning home information to Swedish-speaking Finns abroad, especially in Sweden, should be improved. The committee proposes that all Finnish immigrants in Sweden be asked what their native language is. It also recommends improving the range of the Swedish-language radio broadcasts from Finland so that reception is better in Sweden, broadcasting daily news in Swedish on the overseas radio program and setting up a center for information for Swedish-speaking Finns in Sweden. The committee also recommends the rapid passage of measures to make it possible to include work performed in other Nordic countries in setting wages and determining various social benefits for people who return home after emigrating.

To remove obstacles to returning home the committee recommends intensive courses in the Finnish language in Sweden as well as in Finland for Swedish-speaking Finns who want to come back or have already done so. Children of returning Swedish-speaking Finns should be temporarily freed from participation in Finnish instruction and be given supplemental education so they can improve their Finnish language skills.

To keep citizenship in another Nordic land from preventing return the committee recommends granting automatic work and residency permits to foreigners married to Finnish citizens or former Finnish citizens if their husband or wife wishes to return to Finland. The committee also feels that citizenship in another Nordic land should not be a barrier to regular employment and it proposes that flexible and speedy dispensation procedures be worked out for filling public positions in such cases.

Unanimous Committee

An almost unique element that should be noted is that the committee unanimously stands behind the recommendations in its report.

"We haven't come up with any revolutionary ideas," commented vice chairman Sigfrids, "but the important thing is that we have reached agreement across all regional and political lines. We hope that this agreement facilitates implementation of the measures proposed."

The committee line is that there are no patent solutions for halting the Swedish minority flight--the problem must be tackled with all the means available.

In addition to the two chairmen members of the committee included Gunnar Asplund, MA in political science, editor in chief Johan von Bonadorff, Kaj Barlund, MA in economics, agriculturalist Rudin Eneberg, Per Hellman, MA in economics, Marianne Laxen, BA in political science, inspector Esko Monthan, agronomist Bengt Nybondas, building contractor Lars Rogard, teacher Carl-Gustaf Store and school director Vaino Vartio. In April 1979 Marianne Laxen was succeeded by job counselor Eija Hanrikson. Permanent expert adviser Yngve Morn, MA in economics, was supplied at the expense of the Aland Union. The secretaries were political scientist Johan Storgards and editor Matts Dumell who was succeeded last August by Helena Taxell, MA in philosophy.

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BRIEFS

MILITARY TERM SET--The Council of Ministers, convened under Chairman Mustafa Cagatay, has determined the term of military service in light of the proposal from the TFSC Security Forces Command and in accordance with the Military Service Law that passed the Assembly a while ago, Minister of Economics and Finance Hakki Atun, who made a statement on the decision taken by the Council of Ministers, said, "The term of regular military service has been set at 26 months and the term of reserve officer service at 24. The terms set will also encompass those currently in the service." Atun announced that the decision will be implemented as of 23 May after the privates at the Training Headquarters are distributed to their units. He also said, "It is believed that we will find the opportunity to further reduce the periods of service in light of facts that will come out after the plan is implemented." As is known, the Military Service Law, which went into effect on 13 May 1980, provides for the term of regular military service being set by the Council of Ministers, according to the TFSC Security Forces Command proposal. The Council of Ministers also approved the 1980 Military Service Regulation that was prepared based on Article 50 of Military Service Law 14/80. The regulation was prepared with an eye to clarifying and facilitating the practical implementation of the plan as set forth in the law and to give broader interpretation to such matters as deferment, leave, and discharge, which were narrowly formulated in the law. [Text] [Nicosia BOZKURT in Turkish 16 May 80 p 1]

CSO: 4907

GENERAL BRANDT STRESSES IMPORTANCE OF BEING PREPARED TO FIGHT

DW300920 Frankfurt FRANKFURTER ALLGEMEINE in German 30 May 80 p 3

[Correspondent report signed G.-N.]

[Text] Mainz, 29 May--The Bundeswehr inspector general, General Brandt, has warned against the renunciation of personal preparedness to fight as a part of deterrence policy, addressing not only the soldiers of the Bundeswehr, but also the civilian public. In a lecture given in Mainz at the invitation of Rhineland-Palatinate Minister President Vogel, the inspector general said: The policy of avoiding war not only calls for the repeatedly demonstrated will to achieve a peaceful agreement, but also for the determination and ability to rebuff threats with military strength or application of the same. "Let me become somewhat more outspoken here...the determination to fight is what is primarily involved...it does not make sense to put a soldier in a uniform only for him to say: 'Actually I do not want to shoot, because I want peace.' A soldier must be able to say credibly: 'I can shoot, and if I must, I will shoot'...and I must add here: The will to stand one's ground cannot and must not be limited to the armed forces. It will be alive there only to the extent that it is alive among the people."

General Brandt pointed out in another part of his lecture that despite the alarming ability of the Soviet Union to occupy territory, he considers it "not very likely" that a Soviet surprise attack will be launched against NATO territory, without political indications and without observable military preparations.

But the Soviet Union, in the latest instance in Afghanistan, proves it is prepared to take greater risks than the West has so far thought it capable of taking. The Soviet Union has shown that it is prepared, for the sake of important interests, like in Afghanistan, to give up even favorable prospects of economic and technological cooperation. "We did not believe the Soviet Union was capable of doing this either."

As to the question of whether NATO should expand the treaty area because of threats overseas, the inspector general said that trying to do so would be tantamount to destroying NATO. But it is necessary for some individual allies to protect common, vital interests of the West overseas, above all in the Persian Gulf.

The inspector general strictly came out against great expectations concerning a potential "division of labor" in the alliance. "U.S. forces in Europe cannot be easily replaced so as to make them available for missions at other focal points in the world. Above all they cannot be replaced because any reduction in their presence would be interpreted or to be more exact, misunderstood as a lessening of the strategic tie between Europe and the United States. "The United States is not interested in this, nor can we be interested in this." [quotation marks as published]

The general said that no plans exist for the withdrawal of U.S. troops from Europe for missions in Southeast Asia. It is a different question whether the United States will be forced to make part of the troops stationed in the United States and naval forces available for regions other than NATO Europe.

CSO: 3103

TV PRESENTS OPINION POLL ON ELECTION ISSUES

DW211155 Cologne ARD Television Network in German 1930 GMT 20 May 80

[From the regular feature "Monitor," with moderator Hoffmann presenting the results of a public opinion poll carried out by the Bonn-Bad Godesberg Institute for Applied Social Sciences--INFAS]

[Text] What are the reasons for the CDU losses in North Rhine-Westphalia?

51 percent of the FRG citizens hold Franz Josef Strauss responsible for them;

6 percent Professor Biedenkopf;

11 percent both of them, that is, Strauss and Biedenkopf as a team;

21 percent say neither the former nor the latter;

8 per cent made no comment.

The conclusion: 44 percent of the interviewed FRG citizens believe that the CDU should replace Franz Josef Strauss as chancellor candidate.

The alternative solutions: 14 percent for Minister President Albrecht;

11 percent for Minister President Stoltenberg;

8 percent for Helmut Kohl;

2 percent for Alfred Dregger.

Question: What will happen to the Liberals after the Duesseldorf disaster?

What we wanted to find out was what the chances of the FDP would be if, for whatever reason, elections would have to be held again in North Rhine-Westphalia next Sunday. Fifty-one percent then expect the Liberals to be above the 5 percent barrier;

36 percent expect with a failure;

13 percent made no comment.

Should only two parties be represented in the next Bundestag?

24 percent want a two-party system without Liberals;

70 percent desire more than two parties in the Bundestag;

Of these 70 percent, 43 percent decided for a three-party parliament with the FDP and 3 percent with the Greens;

18 percent want four parties with the FDP and the Greens.

The positive response to the Liberals as a third force all in all has been rather clear, although agreement to a Social-Liberal coalition is three times as great as to a bourgeois coalition, the voting citizens seem to be insecure in a certain way with regard to a coalition. Almost 40 percent of those questioned suggested to the FDP after the outcome of the North Rhine-Westphalian elections that they refrain from making a coalition statement with regard to the Bundestag elections.

If Bundestag elections were to be held on Sunday, what would the percentage of votes be like?

46 percent for the CDU;

44 percent SPD;

5 percent FDP;

5 percent for others.

And the alternative between the candidates Schmidt and Strauss?

For Schmidt: 97 percent of the coalition followers and surprisingly 20 percent of the CDU/CSU followers;

For Strauss: 1 percent of the SPD/FDP followers, but only 65 percent of his own people, the CDU/CSU followers.

The figures of our opinion poll indicate that at present only one third of the populace backs Franz Josef Strauss as candidate for chancellor. The rest of the sympathies, almost twice as much, go to Helmut Schmidt.

CSO: 3103

'DER SPIEGEL' CONTINUES SERIES OF OPINION POLLS

DW271407 Hamburg DER SPIEGEL in German 26 May 80 pp 69-76

[Fourth installment of article on DER SPIEGEL public opinion poll]

[Text] In July 1979 and 9 months later, in April 1980, the Emnid Institute (Bielefeld) posed the same questions, but the answers were fundamentally different.

What had happened between the two polls was the invasion of Afghanistan by the Soviet troops, and since then the number of Germans who consider a third world war "possible" or even "probable" increased from 19 to 54 percent. It has been rare in the past three decades for so many FRG citizens to be so worried about peace.

A mere 31 percent prior to the invasion, but now 49 percent of the people interviewed, declared the East "militarily stronger" than the West.

Emnid ascertained the new figures in the SPIEGEL survey on the political situation in the 1980 election year.

The answers were also more pessimistic than ever before when Emnid inquired about the prospects for prosperity: "It is uncertain what the effects of the high oil prices will be. What do you think is probable in the next few years: Will we be able to increase the standard of living as before, will we succeed in maintaining it, or will that standard of living go down?"

Granted, 52 out of 100 FRG citizens are convinced that the standard of living will remain unchanged, yet only 15 out of 100 believe that it can be increased "as before," and 33 out of 100 think it will go down in the future.

Never before in an election year have the Germans viewed the future so gloomily. But they are less receptive to a change in power in Bonn than ever before.

Dissatisfaction with the prospects, satisfaction with the government-- this sounds like a contradiction. The answers to pertinent questions in the Emnid survey provide a plausible explanation for this phenomenon.

Over the weekend before last Franz Josef Strauss revealed more plainly than ever before that he sees his election chances in the fear of another war on the part of the Germans. Having denounced Helmut Schmidt as a "war chancellor," he now wants to advertise himself as a peace chancellor.

In all seriousness he contends that had a CDU/CSU government existed in Bonn last year "the Soviet Union would not have invaded Afghanistan." This probably is intended to mean: The social-liberal policy of understanding with the East has encouraged the Kremlin in its aggression in Afghanistan. No argument so far in this election year has been as absurd.

Strauss' hope for votes of fear is foiled, among other things, through an error by the candidate: The very oostpolitik of the coalition which Strauss considers a mortgage against his antagonists, in truth is an asset on which the government can live particularly in the present crisis of confidence between Germans and Russians.

More clearly than the individual questions asked by other institutes so far, the Emnid survey shows the low level to which the confidence of the Germans in the Soviets has dropped:

Only 10 out of 100 Germans believe that the Soviets will ever withdraw from Afghanistan again. Forty-eight percent are convinced that this country will become an East bloc state, and 41 percent even assume that the Russians "will invade other countries" from Afghanistan.

When Emnid asked whether "it is necessary to expect an invasion of Yugoslavia by the Soviet Union," after Tito's demise, 14 percent considered an invasion "probable" whereas as many as twice that number deemed it "improbable" or "out of the question" (30 and 6 percent). But every other interviewed person declined to answer the question either in the affirmative or in the negative and decided to use the suggested answer which leaves every option open: "possible."

When the question was posed about confidence in Beijing and Moscow, the Chinese for the first time had a better rating than the Russians.

No matter how disturbed the relationship between the Germans and the Russians currently is, most of them did not relapse into the mentality of cold war. Their views rather are marked by a loss for answers and, therefore, also by contradictions.

Thus a two-thirds majority in the Emnid survey advocated better relations with the Soviet Union even after the Afghanistan invasion. But at the same time 46 percent came out for an alliance with the other Red giant

which would be directed against Moscow: The West should ally itself with China as closely as possible so that the Soviet Union will see that it would encounter a closed defense front in the event of an aggressive policy.

The more precarious the situation is in the view of the Germans, the greater they consider the need for someone competent enough to find new ways and to reduce confrontations. According to Emnid, for the relations with the East this competence is attributed to the SPD by far more FRG citizens than the SPD has voters. In this respect even 30 out of 100 CDU/CSU voters prefer the Schmidt party to the union parties.

It is the prestige of the chancellor that prevents the attempt to spirit a "Moscow faction" into the SPD and to explain competence by means of ideology from succeeding. The only weak point in Bonn in this respect is floorleader Herbert Wehner. The opinions of the Germans about him are literally divided. When Emnid presented a choice of two opinions about him, of every 100 interviewees:

Fifty decided for the answer: "Some political remarks by Wehner can be understood only if one knows that he was formerly a high-ranking KPD functionary. Granted, today he is a leading member of the SPD, yet he has not totally overcome his former views. In particular, some of what he is saying about the Soviet Union today can probably be explained only by his communist past," and forty-six for the answer: "Wehner is a democratic politician whose former affiliation with the KPD should not be held against him for a lifetime. His views are often unpleasant or exaggerated, and one indeed need not always approve of them. They are explicable by his concern about political dangers which he believes he sees more plainly than others. But this has nothing in common with his communist past."

In view of the worldwide popularity of the chancellor it also does not pay off for the CDU/CSU that it is considered more competent than the SPD and the FDP if and when "good relations with the United States" are at stake.

Schmidt's policy of self-assured partnership is much too much in line with the ideas of most citizens.

As certain as it is that a majority of Germans are critical of the United States or are even hostile toward it, it is equally certain that too much distance vis-a-vis the United States does not correspond to the wishes of most Federal citizens. This is demonstrated, for example, by answers to the question about whether the German Government has acted correctly in the crisis between the United States and Iran.

The pro-American minority which considered "more support" to be better was larger than the minority that was critical of America, maintaining that Bonn ought to "have kept out of the conflict more" (28 versus 18

percent, 47 percent had no criticism to voice). If the SPD were to set an anti-American tone in the election year, it would probably please some permanent SPD voters, but it would simultaneously shock some other voters who plan to vote SPD for the first time on 5 October.

Next to maintaining peace and good relations with the big powers, priority is given to safeguarding the energy supply, if the Federal citizens have to set priorities for Bonn. This issue is linked with the quarrel for and against nuclear energy, which has occupied the Germans intensely for years.

No other button has been carried so often as the yellow sun with the words "No thanks." No other slogan has driven so many demonstrators so often into the streets as the slogan of the fight against nuclear energy. Nowhere else have so many water cannon and sticks been used as against the occupiers of nuclear construction sites.

A comparison between DER SPIEGEL investigations of 1977 and 1980 shows that at least in the past 3 years as good as nothing has changed on the whole, regardless of how many individual citizens may have changed their opinion: The number of adversaries and advocates of peaceful use of nuclear energy has remained about the same.

In 1977, 53 percent and now 56 percent of the Germans have the opinion: "We must build nuclear powerplants in the Federal Republic in the coming years if we want to preserve our well-being." Previously it was 43 percent and now it is 42 percent who have an opposite opinion: "The dangers are too great, therefore no new nuclear powerplants should be built."

The hard core comes out only when the adversaries are being asked the additional question: "What should happen to the nuclear powerplants that are already in operation?" Of 100 adversaries, 52 want them to continue working, 45 would close them down.

Widespread but wrong is the assumption that this hard core of adversaries of nuclear energy--19 percent of the overall populace--consists mainly of Greens. (Those who think like that disregard the figures within the parties.) The minority of vocal opponents to nuclear energy alone among CDU/CSU voters is numerically stronger than the total of the followers of the Greens.

Nothing will probably change in the near future about the ratio of strength in the quarrel about nuclear energy. When Ennid asked how the citizens of the Federal Republic would probably vote in a plebiscite about nuclear powerplants, a strange result was achieved: Some 80 percent of the advocates as well as 81 percent of the adversaries were convinced that the majority of the Germans think like they do.

A thesis by Allensbach opinion poll research expert Elisabeth Noelle-Neumann holds that a majority will continue to strengthen its positions as long as it is aware of its strength, and even a minority that believes it is the majority which will gain ground.

The preparedness of Federal citizens to become active for or against "the construction of a nuclear powerplant in the vicinity" has remained about the same. Of 100 questioned persons:

Fourteen "would support the construction in talks with friends, colleagues and neighbors";

Twenty-one would "sign protest lists";

Eight would "join a citizens' initiative against the construction";

One would "take part in occupying the construction site."

Most of them (55 percent) would "do nothing for or against it."

The weight of arguments for or against nuclear energy has changed. It was possible to determine this because Emnid repeated the statements of an earlier opinion poll.

Three years ago one particular argument was considered exaggerated, an argument that is rejected now much more rarely:

"Renunciation of development of nuclear energy would mean that within the foreseeable future we would have to expect a doubling of the cost of electricity, a discontinuation of the supply of power or with driving bans one weekend a month."

More Federal citizens than has been assumed so far have already drawn their consequences from the fact that energy has become more scarce and more expensive. State measures would not at all be met with massive resistance from those involved.

Forty-seven of 100 participants in the DER SPIEGEL poll said they "have found opportunities to save oil and gasoline." When they were asked to name "one or two examples," they reported most frequently that they live in rooms that are a bit cooler than before and that they are driving slower or using their cars less than before. Other answers: "We go to bed earlier." And "I just feel a bit cold."

When nine possible savings measures were suggested, a majority was found for every one of them, but most of them would be approved only once the energy supply situation had deteriorated. But even today there are majorities for a ban on the nightly illumination of shop windows and for a 100 kilometer per hour speed limit on the Autobahn.

The date, 8 July, which was long ago spoken about as a car-free Sunday, could very well become an impressive day of voluntarily refraining from using a car.

Of 100 persons owning a car:

Thirty would "in any case leave the car in the garage";

Fifty-four would "drive only if it were absolutely necessary";

Six would first see what the others are doing and then "I would act accordingly."

Nine of 100 said they would "use the car on such a day as always."

Probably many more automobile users would act like that. The closer 8 June [as received] comes, the less talk there is of it actually becoming a Sunday without cars.

CSO: 3103

CENTER PARTY LEADERSHIP CONTEST DOMINATES POLITICAL SCENE

Helsinki SUOMEN KIVALEHTI in Finnish 25 Apr 80 pp 58-67

[Article by Juhani Aromaki: "Dear Idiots..."]

[Text] ["Dear idiots..."] is how Johannes Virolainen, certain of victory, greeted his supporters. "There is no longer any way we can lose," roared a hopeful Paavo Vayrynen. Now is the moment of decision on the Center Party's hotly contested power struggle. The last words are being dug up out of reserve.

The power struggle within the Center Party today dominates Finnish domestic politics. The race toward the Center Party's June party convention between two candidates for the chairmanship who are not willing to give an inch can be seen all over the place.

SUOMEN KIVALEHTI wanted Chairman Johannes Virolainen and Vice Chairman Paavo Vayrynen to speak frankly at the same table. At first, Vayrynen refused and Virolainen too was unwilling to participate in such a "confrontation."

Then SUOMEN KIVALEHTI wanted to discuss the party's future with Vayrynen and his biggest supporters. Office head Juhani Perttunen, however, did not feel it was appropriate to make a public appearance under the circumstances.

At the end of last week, the last series of party district meetings was held. The candidates for the chairmanship made campaign tours in different parts of the country, speaking of their party.

Chairman Johannes Virolainen, who has promised — and is himself determined — to continue to act as chairman of the Center Party until 1982, was to be found on his home turf in Vihti in the district of Uusimaa.

Vice Chairman Paavo Vayrynen, a determined challenger, tried to soft-pedal things on his home territory and found fault with the current chairman in gentlemanly fashion. Vayrynen was to be found in Kolari.

Since the contenders were in different places, a distance of 100 km apart, SUOMEN KUVALLENTI listened to them and above all to the voices of their constituents. An authentic political message could be heard from them, regardless of whether it agrees with the plans of the bosses or not.

Both candidates hoped to put it to a vote, repeatedly so. Obviously, this is a healthy thing for the Center Party, but it apparently remains to be seen which of them is ready to slam on the brakes before the Turku party convention.

All 21 district meetings have now been held. The race will be decided at the Turku party convention since no one can name the winner on the basis of the district meetings.

"A vigorous land in the far North;
It is an old battlefield,
So brave, bold and unflinching;
It is a glorious continent of memories.
In my opinion, this is an inspiring land;
It is a land of tens and tens of streams."

Perapohjola District's native son, Paavo Vayrynen, is quite familiar with the song, "A Land of Ten Streams," and so, seated in the front row, he loudly struck up the customary opening song at the meeting.

The song was a bit less familiar to Minister of Agriculture Taisto Takkanen. He did not sing. Kolari is a strange place for this former supporter of Johannes Virolainen. He was even rudely accused of being "a tough customer on matters of policy, but a turncoat" from the speaker's rostrum.

It is estimated that 127 official and 45 unofficial representatives attended the Perapohjola district meeting. The meeting appeared to be well prepared. Vayrynen's victory was assured from the start. The vote was 54 to 18.

As the meeting went on, towards evening the participants seemed to develop more and more interest in the issues. Since debate on the regular issue of the chairmanship was deferred until early in the evening, the cattlemen left for home even before the vote was taken.

Interest was especially aroused among Virolainen's supporters because, among the approximately 50 representatives who had left, there were many supporters of the present chairman.

The district office sent a boy with a letter to every house. While we do not want to call them pressure-inducing letters, even the most simple-minded of the constituents certainly realized who was to be backed at the Perapohjola meeting.

Pekka Vilmi is a staunch Virolainen supporter. He was to open the meeting. A bit apologetically, the vice chairman, teacher Kyllikki Wallen,

announced that Vilmi was unable to attend and so she had to open the meeting.

She regretted that the issue of the Center Party chairmanship is tearing away at the party everywhere. She praised the participants in the meeting several times for their carefully considered choice of words since, aside from the home district, nationally speaking, all eyes were also turned toward the Kolari meeting.

"Sorsa Gave the Orders, the Center Party Complied"

Taisto Tahkama was the first speaker. For over an hour he delivered a marathon-like speech. He spoke of agriculture, exhausting every possible topic, and quoted from his own proposals.

He highly praised the current administration on behalf of the Center Party. He was of the opinion that the left will have to recognize the middle-class majority in Parliament.

He spoke of friends who feel that this administration is better than the preceding one. In that one, he said that "Sorsa gave the orders and the Center Party complied."

He did not, however, mention the man who is yielding his position, Johannes Virolainen, by name.

To finish his lengthy speech, Tahkama broached the issue of the chairmanship, because his "name had also appeared in connection with this issue."

"I have consented to running for the chairmanship and, at the same time, announced that the Turku party convention would be an appropriate time to switch chairmen," he said.

He recalled that, at the time, in justification of electing V.J. Sukselainen, it had been proposed that he be allowed to remain at his post for another 2 years, whereby he would have occupied the chairmanship for a full 20 years.

In his opinion, there is no basis for such an argument.

"We have fought for and sworn allegiance to all sorts of policy lines in the name of Virolainen and Karjalainen's policies for too long. I think the party ought to get rid of this sort of cliquishness..."

Tahkama's major argument for a change of chairman was that it is better to do it now than 6 months before the next parliamentary elections.

He also wanted to know exactly whom he would be up against in Turku and whom not.

"If there is no change of chairman, I will not run. Paavo Vayrynen, Ahti Pekkala and Marjatta Vaaranen and also Virolainen make a good team..."

"If there is no change of chairman, I will not run against Marjatta Vaaranen," he announced.

"We Are Getting Support From the Communists"

The chairman of the Kolari meeting promised that the issues would be presented to both ministers after Vayrynen's speech.

The minister of foreign affairs explained how difficult decisions were reached following the just-completed farm income policy. He praised the agreement and used the Sorsa administration, which Virolainen also participated in, as a basis of comparison. He did not mention Virolainen by name.

"The Sorsa administration's farm policy decision was based on the same law as this one. However, it was mainly a percentage-based policy and only partially a penni-based policy.

"Now the agreement is based on the penni, which is much more productive for farming.

"And furthermore, the agreement is for hundreds of millions more than what the left so solemnly decided on," Vayrynen said.

Then he spoke of pension reform.

"We are getting support from the Communists, but our relations with the SDP [Social Democratic Party] and the RKP [Swedish People's Party] are very cool."

Then he spoke of regional politics, after which he asked:

"What will happen to our party in the 1980's?"

For the future, he saw both light and dark clouds on the horizon.

In his speech, Vayrynen pointed out that for 10 years he has been one of the Center Party's leading planners. He has headed the Objectives Program Working Group, so essential to the party, which has framed its objectives for the 1980's.

What Vayrynen loses out to Virolainen in terms of folksiness and "popular acceptance" he makes up for in terms of his consistency and thoroughness.

"We must admit that, since the oil crisis, our economy has been moving in a more favorable direction..."

"We Have Failed"

"On the other hand, we have failed to make inroads into the cities and more densely populated areas. In the final analysis, the sources of our strength lie in the rural areas and in the renewal of our natural resources.

"This change in attitude — more extensively so too in our society — is in our opinion particularly advisable. We should have made efforts to increase support for the party...

"Support has dropped. Why? The reason cannot be administration policy, since people are relatively satisfied with it...

"The essential reason is a natural one: Our main support comes from areas where the age range is relatively high. The number of voters is steadily declining. We do not have to lose a single voter to the other parties, yet our support is declining...

"If we do not succeed in increasing our support, the party will shrink and lose importance. We can no longer afford to lose...

"The drop in support cannot be attributed to our policy in itself. With this policy, we certainly deserve better support," Vayrynen said.

"The public has gotten a wrong idea of the nature of the party. The party has not attracted voters. People have not been made aware of the party's central position in terms of the population.

"Farm income amounts to about 3 percent of our national income. It is of no importance, even if the farm population's situation were to be further improved.

"In spite of this, the Social Democrats are always looking for a big, fat argument as far as farm income is concerned. So, week after week, they force us to defend the farm population in the newspapers.

"They want to keep us from gaining support in population centers.

"The MTK [Agricultural Producers Association] and the party are of exactly the same opinion, that these tactics should be repulsed through cooperation."

He felt that farm income issues should be more explicitly turned over to the MTK to be taken care of.

"In that way, the Center Party would be afforded an opportunity to appear as a general party. We would have a strong advance organization and a big party."

Agrarian League Heyday

"We ought to learn from how the Conservative Party has been handling its affairs. As late as the 1960's, it was a marginal party.

"In the 1970's, it revamped its image. And nowadays it is fashionable to be a Conservative, whether one is a farmer or a worker. This has gone so far that in population centers people feel that it is easier to vote for the Conservative Party than for the Center Party...

"Our job is to increase the size of the party to what it was in the heyday of the Agrarian League," Vayrynen said.

Then he got to the point: the question of the personalities involved. Who was to expand the party?

"Since we lost the elections, one corrective measure that has been considered and discussed has been changes of faces. Among constituents, there is a strong desire for change, in some areas unanimously so."

Vayrynen felt that the public communications media's reporting of the chairmanship issue was a downright distortion of the facts. In his opinion, the newspapers gave the wrong picture of the whole situation.

"One national newspaper gave the impression that some sort of bloody battle was presumably in progress. That is not the case."

According to him, the discussion is being conducted in a calm and business-like manner and opinions are not being rammed down people's throats. Nor should we talk about such things at this time.

Vayrynen's unexpected outburst of anger with the press was surprising.

Besides, the party is divided on the chairmanship issue.

"It is pointless for anyone to explain that the ways we are going about this are wrong. Those who want a change say so straight out. Let each of us have his own opinion on the matter if he has one.

"The election of a chairman is in the hands of the official party convention delegates and only in their hands," Vayrynen said.

"Vilmi Supported a Change"

He also reminded us of Perapohjola's strongest supporter of Virolainen, Pekka Vilmi's words. Not the ones he used to haul Vayrynen over the coals, but these:

"Pekka Vilmi too announced that he was in support of a change of chairman and proposed that Kalervo Siikala be elected."

Namely, he hoped that a policy of detente could be pursued in the district of Perapohjola,

The convention delegates had a chance to ask questions once the ministers had finished speaking.

"The party leadership is above reproach," the first one began.

The speaker suggested that party leaders be elected for 2 years on the basis of the present system.

One speaker raised his hand. He was shocked when parliamentary representative Pihlajamäki, expressing himself in the *POHJOLAN SANOMAT*, said that there was no reason for the Center Party to gain a foothold in the cities.

"How is it possible? Doesn't our information center screening pay any attention to such things? How can such remarks get into the newspapers?"

Vayrynen replied to this urgent demand for censorship.

"I have not seen these statements but I think it was a mistake to say that the Center Party ought to gain a foothold in the cities. People thought that now they are going to move into the cities and forsake us here in the country. And that is not the issue."

One speaker set the party administration to rights and also party secretary Mikko Immonen, who has not even been seen in the Lapp districts. And if he has been glimpsed, according to what they say, he has had very little to say. The critic even slipped into vulgar language and Vayrynen had to censure the old man.

A Withering Away or a Rejuvenation?

The next to take the floor was a man who had five children. He brought a message from his children: At all party levels, leaders are middle-aged and behave like old men and old women.

"If this doesn't change, you will wither away," the speaker said and left the rostrum accompanied by loud applause.

The next one went on:

"Taisto (Tahkamaa) is strong on policy questions but has recently become a turncoat," whereby the speaker got a laugh from the convention hall.

He felt that the Center Party does not now have two visible candidates for the chairmanship in reserve. He reminded us of Keijo Korhonen and Governor Kauko Sipponen of the province of Keski-Suomi.

"Why are we chasing this chairman like a snake into a sack?

"Let's get Virolainen to agree on paper that he will no longer continue in office after 2 years time. And then, let's unanimously elect Paavo," he suggested.

Someone insisted that they put it to a vote.

Tahkama responded to the charge of his being "a turncoat." He explained the reasons behind his decision and boomed:

"I have never received any support from the current chairman," he said.

Vayrynen also asserted that "Taisto has in no way changed his line of action."

Vayrynen went on to say:

"I do not believe that there is anyone who could at one time integrate the party. We have to find a good team whose members can work together."

There is discussion among party members. And all of them are equally expert at politics.

When Johannes Virolainen, with his loyal lieutenant, left Vihti in the middle of the Uusimaa district meeting to catch a northbound plane, he was in a good mood at the airport and certain of victory.

He figured that Vayrynen's supporters would at the most get 10 supporting votes at the convention from their home constituencies.

He figured wrong. They received an amazing 35 as against his 84 supporters.

"Virolainen has at least 75 percent of the party's real support," his lieutenant tried to persuade us.

Alongside of us, the chairman smiled.

"Paavo is a talented boy but you have to have a feeling for your constituency. I've been running for 35 years now," he said.

He was on his way to Rovaniemi via Pelkosenniemi. He was already on his way elsewhere as the Vihti meeting was still in session.

Last weekend the chairman talked about the "Lapp teachers'" own views, but now in Vihti he soft-pedaled his words, made them more palatable with humor.

"Such a big thing has been made of this party convention that perhaps the scheduling will be changed: This topic will be dealt with before the convention and this one after it..."

Virolainen spoke of current policy, stressed the party's mutual aid and cooperation seminar, feared that a dispute over revaluation might even bring down the government.

"When this administration came into being, I said of the Conservative Party what I had to say. And now, I won't say another word..."

"If, however, this government falls, the problems will be even bigger than a year ago," he felt.

"Horse-trading will be the only way to make any progress. If we just go on beating our heads against the wall, the situation will remain in an impasse."

Virolainen had promised to avoid talking about the chairmanship issue, but it was impossible for him to do so.

"Everything has been written about us: deeds, age, outer appearance, economic affairs — the Saloras and others are the most important — and even reputation... A politician has to endure all this fine-toothcombing."

He had promised to stick it out this time too, although the fine toothcomb is a bit rougher than usual and it does go against the grain.

"In Varsinais-Suomi, a party man once asked me: 'Are you a leftist, Jussi?' I replied: 'I'm no more a leftist than Paavo is.'"

"They ask whether we are reliable as far as foreign affairs are concerned... well..."

"The important thing is for us to keep the power in the hands of the party convention delegates..."

"I will no longer be available in 1982. At that time, this would have been easier to take care of..."

"We voted last in Oulu and, to be sure, the differences in the vote then were fairly big..."

Virolainen's strong suit has always been his ability to speak, witty remarks that you do not read from a piece of paper. He seems to captivate men and women of his own age group.

"Dear idiots. I know you. No one can get you to move in any direction by ordering you around, only by advising you and making recommendations..."

The burning question in the Center Party is how the candidates for the chairmanship can personally garner for themselves a majority of the over 3,000 party convention delegates who will be coming to the Turku convention.

No matter how close to the party line the election results are rammed down their throats at the district meetings — on both sides — they need not be as significant as might suddenly be thought in Turku anymore.

The fundamental power, the last word lies within the basic organizations. And no one knows today how, in the final analysis, those thousands of individuals are going to vote.

"In the end, one's personal persuasiveness is the decisive factor," the man who was leaving for the convention said.

Each camp offers its own figures, but their reliability is doubtful when they are added up. That is, when figures on the support for the contenders are added up, the total always seems to exceed the 100-percent mark.

Taking them by surprise in the Vihti Elementary School, Vayrynen's supporters immediately got the ball rolling. Several of their speeches, designed to get to the point at once, were meant to change the minds of the delegates to the meeting.

But that is not what happened. The younger representatives of the capital district townships backed Vayrynen, as predicted. But the others did not. Then too, there was one reservation in the wake of the 84-to-35 election result. Packed with Virolainen supporters, the bus for Orimattila had already managed to leave before the vote was taken, but they promised to allow for more time in Turku.

No matter how much the contenders smear one another in the press, their party supporters are so keen on the chairmanship issue that a lot of them have smoke coming out of their ears.

Although the contenders claim that it is really the press that has invented the whole chairmanship race, their constituents tell the truth, prove the opposite to be the case.

The reporters do not have to create issues; all they have to do is listen to the voices of the party constituents. There is only one thing they have to be induced to do. No one wants to call it by its name, straight out. Why?

"Jussi Virolainen's basic support comes from Federation of Farmers Cooperatives leaders. That's where his biggest support comes from.

"The current board of directors has given its silent support to Virolainen. Heikki Haavisto, the chairman of the Federation of Farmers Cooperatives board of directors, openly said so at the All Saints' Day celebration.

"Virolainen is even a member of the board. On it also are Sakari Kontio, the Federation of Farmers Cooperatives' new chairman of the board, Jorma

Jarvi, the general manager of Hankkija, and Yrjo Luukka, the general manager of SOK [expansion unknown].

"The board backs Jussi, but among the members of the federation there are many friends of Paavo.

"Jussi Virolainen doesn't have any particular organisation in support of his campaign."

Virolainen's trump card is his lengthy experience. He made the rounds of the villages even before Paavo Vayrynen was born.

"The evacuees constitute his big support group. And he knows people in every village who owe him a debt of gratitude.

"Jussi has fixed them up with a bit of roadside land or a multipurpose house. He has managed to do a lot for them in 35 years."

The Federation of Farmers Cooperatives Cooperative Division has tried to trigger a debate. Vayrynen's support groups know where Virolainen's bases of support lie. They were accidentally made public during the race for the chairmanship.

Federation of Farmers Cooperatives Cooperative Division manager Seppo Pietikainen, an open supporter of Vayrynen, was kicked out. In his pamphlet, he set about to expose the most sacred of confidences, but he himself does not want to speak of the matter or say even a word about it.

"Vayrynen wanted to get the cooperative to develop a firm ideological backbone and a spirit of get up and go. Virolainen claimed he was a practical man and solved problems case by case, as they come up," the young farmer feels.

"In the Federation of Farmers Cooperatives, Virolainen was never heard speaking of Federation of Farmers Cooperatives ideals, only of day-to-day politics. When, for example, did he ever speak of the big cooperation issue, of the dispute between Hankkija and SOK...?"

When did Vayrynen speak?

"He has certainly maintained that it is time for a change..."

Why is Virolainen up for the chairmanship?

"The Southern Finnish farmer does not trust Vayrynen. The positions Paavo has adopted on issues have been vague, unclear, in terms of both the party's relations with the MTK and with the MTV news.

"What did the speech about the break between the NTK and the Center Party mean? The very idea of a break between the SAK [Finnish Confederation of Trade Unions] and the left-wing parties is impossible.

"The most important reason for electing him is that we trust Virolainen. He is on our side..."

"When he says he is going to remain in office for 2 years, we have to assume it to be true. We are peaceful men. If he is available for 2 years, we can in that time clear up the chairmanship issue..."

Virolainen has curtly said that he will stay on for 2 years and then Heikki Haavisto will take over...

"He never said that in public..."

No, he hasn't.

"No one knows what will happen in Turku. I believe Virolainen will stay on if no decision is reached before the convention..."

"If Vayrynen's powerful opposition wins out, we are capable of adapting to the situation and we'll see how he handles the job..."

Why not Vayrynen?

"This race is now not so much about electing a new chairman as it is about overthrowing the old one. It would be better if we could look around for another 2 years and find a candidate to run against him [Vayrynen]. And then let the newcomers run against one another..."

Someone has said that, if Vayrynen loses now, his turn and his chances will work in favor of the new man — whoever he may be — for years.

"Yes, for 20 years..."

Why not Vayrynen?

"He has said some funny things. When a few years ago the property tax schedules were increased, he said that Southern Finnish farmers could certainly afford to pay the tax hike. Newspaper clippings of that item were distributed to us, yes..."

"When this latest farm agreement was signed, was it really such a idea for him to go to Bulgaria...? The HELSINGIN SANOMAT noted the invitation had been extended 10 years ago..."

"If the man really wants to be chairman, why does he deliberately rub us the wrong way...? As far as we are concerned, there is a credibility gap."

If the man doesn't care about us before the chairmanship election, it is hard to believe that he would care after he is elected...

"There is a sharp geographical division in the Center Party: north and south. Another one is this professional division. Jussi has managed to keep his people together. We rather doubt that Paavo is capable of doing so...

"More new members will be coming into the party, but they will have to be accepted by the basic cadre, the farmers. The party should broaden this avenue of access..."

In the cities of the South and in the densely populated areas, Virolainen is not doing well. Our informant told us:

"There is not a single Virolainen supporter in our city."

That was in Espoo.

"If it looks as though Virolainen is going to lose, he will scarcely put the issue to a vote. If he loses in the party convention vote, that will be the end of his political career.

"After that, if the party convention has rejected him, he can hardly even aim for the 1984 presidential candidacy..."

It would be just as hard for Virolainen to lose out to Vayrynen as vice versa.

"A third man? Ahti Pekkala refuses to run. Heikki Haavisto doesn't want to at this time. A third man — whoever he might be — would lose at the Turku party convention, and at the same time lose his political future..."

That would be a big loss.

Speaker Johannes Virolainen distributed medals of honor conferred by the president on several deserving party members. A Vayrynen supporter noted that the recipients were all loyal followers of the speaker.

"A big medal, little deserved," an envious onlooker whispered.

11,466
CSO: 3107

POLL SHOWS CONSERVATIVES CONTINUE RISE UNDER NEW CHIEF

Helsinki HUFVUDSTADSBLADET in Swedish 30 Apr 80 p 2

[Editorial by Henrik von Bonsdorff]

[Text] The Conservative Party has the wind in its sails if we are to believe the latest opinion survey referred to at the party's membership parliament over the weekend. This indicates that our moderate right is following in the footsteps of successful brother parties in Sweden and Norway. Henrik von Bonsdorff comments.

It has been almost a year since Ilkka Suominen took the chairman's gavel of a Conservative Party that was on the rise. The goal he set for the Conservatives then was to outdo the Social Democrats in the near future and take the lead as the biggest party in the country. The opinion poll referred to at the party's "membership parliament" over the weekend indicates that this ambitious and seemingly somewhat overoptimistic goal may have been more than a pipe dream after all.

The M-Tietoeskus [expansion unknown] survey for February-March indicated that since the election last year the Conservatives have gained 2.5 percent and are now breathing down the necks of the Social Democrats. The margin is no more than 0.2 percent even though the Social Democrats also gained somewhat since March 1979. The difference is slight. If the survey as a whole is accurate the Conservatives have gained enough to be statistically secure. And at any rate the trend is clear--we can look forward to a fierce duel for first place between the Conservatives and Social Democrats as we approach the fall election.

If we look at the other nonsocialist parties we see that the Center Party suffered a slight setback. But this was offset in the traditional political center by small gains made by the Liberals and the Swedish People's Party. The other small nonsocialist groups have

declined, with the sharpest drop being noted for the Constitution Party which had only 0.3 percent of the vote compared to 1.2 as late as last year.

Since in contrast to the Social Democrats the Communist Party declined slightly the relationship between nonsocialists and socialists shifted a fraction in favor of the former group, 58.4 to 41.6 percent.

In general the variations are insignificant and with the exception of the change noted for the Conservatives all were within the margin of error. Thus it is natural that party boss Ilkka Suominen was rejoicing in the party's growing attractiveness to the voters as reflected in the opinion poll figures. In his view this was due not to mistakes made by the government but to the party's own efforts and merits, its new middle-class image.

His interpretation is debatable. But we won't speculate on that here--it deserves more space. Instead it may be of interest to point out some amazing similarities in party trends in both Sweden and Norway.

In Sweden Gosta Bohman was able to note a figure of 26 percent of the electorate favoring his Conservative Party, a higher figure than the party has seen in decades. According to Bohman this is the result of the "straight line" they have pursued in politics, the confidence the voters feel that the Conservative Party is a stable nonsocialist party. The refrain is the same as Suominen's--the only difference is that as a part of the government in recent years Gosta Bohman has been able to act in such a way as to give himself and his party the profile the Finnish Conservative Party has only been able to dream of so far.

In many respects the gains of the Swedish Conservatives have been made at the expense of the central bloc of parties. Only a year ago the three nonsocialist parties were relatively equal in strength. Today the Liberal and Center parties together can muster only 23.5 percent of voter support. Our center group is somewhat stronger--25.4 percent. But when we add the Conservative and moderate parties in both countries the results are within 0.1 percent of each other--49.5 percent in Sweden compared with 49.6 for the Finnish Conservative Party, Center Party, Swedish People's Party and the Liberal Party.

Similar comparisons cannot be made on the left wing, of course, since the Swedish Social Democrats are still so dominant in politics. The socialist and nonsocialist blocs there are still quite equal according to the latest SIFO [Swedish Institute for Public Opinion Polls] survey.

But in Norway the division of forces on either side of the barricades is roughly the same as it is here--47.9 percent for the nonsocialists compared with 42.1 for the socialists. The ruling Labor Party has been

much more eroded than Palme's party and this March the party was given only 36 percent of voter support. But the Norwegian Labor Party has had minority backing for its governments during the entire economic crisis in the last half of the 1970's.

However Norwegian Conservatives have also consolidated their position now as indisputably the strongest party in the nonsocialist camp. A year ago it was so close to the Labor Party that only 1.5 percent divided the two. Now the Conservatives have stabilized around the 30 percent mark but despite this they are about as large as all the other nonsocialist groups put together. The most likely partners of the true center and right-wing groups in a future nonsocialist government, the Center Party and the Christian People's Party, don't even have 20 percent of the vote.

Thus Ilkka Suominen and the Conservatives can find encouraging examples in their Nordic brother parties who by their own reckoning have done so well. But if the party picture shows similarities in the Nordic lands the differences are equally great. So Finnish Conservatives won't be able to profit much from the victories of Swedish and Norwegian Conservatives.

6578

CSO: 3109

PSF LEADERSHIP WARNS ROCARD ON CAMPAIGN TACTICS

Paris LE MONDE in French 18 Apr 80 p 9

[Article by Jean-Marie Colombani: "PS Leadership Gave Mr Michel Rocard Strong Warning"]

[Text] During a weekly meeting of the executive board of the PS [Socialist Party] on Wednesday evening, 16 April, the Party leadership made public a letter from 11 April addressed by Mr Lionel Jospin, member of the national secretariat, to Mr Michel Rocard, who was visiting London at the time. The text of the letter is a stern call to order meant to counter the effort made by the Yvelines representative, with his nomination as PS candidate for the presidential elections in mind.

The letter written by Mr Jospin, officially the number two man in the PS, repeats and develops the criticism that was voiced at a previous meeting of the executive board on 2 April against the Yvelines representative; in the opinion of the leadership, he is guilty of having taken a position in favor of sovereignty-partnership for Quebec, advocated by the Quebecois Party, and also for "caricaturing" the position on decentralization taken by the first secretary.

On the first issue, Mr Jospin is amazed that a member of the PS conducts "what can only be described as an international action without the party's knowledge"; he refers to the principle of non-interference and reminds the audience that the "socialist plan" is not a party to the Quebec quarrel. He requested and got Mr Rocard to give to the leadership the controversial document, the text which the Yvelines representative had addressed confidentially to Mr Claude Morin, minister of inter-governmental affairs in Quebec.

On the second issue, Mr Jospin reproaches Mr Rocard for having developed, notably on Luxembourg Radio Broadcasting and Television System on 29 March, the idea that he embodies a trend based on decentralization while Mr Mitterrand is in favor of state control.

Mr Jospin appeals for respect "for some elementary moral rules," a condition necessary for the "proper" functioning of the PS, and asks that the criticism levelled, according to him, at the first secretary "cease."

If it is true that Mr Mitterrand's position in favor of decentralization is unambiguous, there may be in the praiseworthy concern for correction expressed by Mr Jospin a certain amount of self-criticism on the part of the man who found it necessary to compare the thinking of Mr Michel Rocard to that of Mr Jean-Jacques Servan-Schreiber (LE MONDE, 16-17 December 1979).

Mr Jospin's letter is of special importance because it reveals some of the wishes of Mr Mitterrand's friends. The latter are more than ever intent on frustrating Mr Rocard's plan to be nominated the PS candidate for 1981; they want to set up conditions leading to a new candidacy for first secretary, as Mr Charles Hernu stated on Wednesday in Paris. Thus they decided to oppose the representative from Yvelines at every chance they get.

After strengthening their ideas within the organization, in order to give themselves the means for an effective counteroffensive, they plan to hinder what they call the "Rocard operation," which seemed to be an internal drive before the letter. Therefore it is not only a question of dissecting every statement made by Mr Rocard so as to bring him back to the party line, but also to stop him from having free range in the field.

Thus, Mr Laurent Fabius, spokesman for the party, mentions the complaints of several unions, deploring that he "learned through the press" of Mr Rocard's visit to their departments. For Mr Fabius "either Michel Rocard goes to the provinces as a candidate, but the candidacy is not open,* or he goes as an official of the party, but he must let the unions know about it. Or he acts as the prime mover of a trend, but there again the unions cannot be informed by the newspapers of statements with which they were not associated."

Aside from the psychological advantage that such a call to order can have, Mr Rocard is placed in the difficult position of one who, being in the minority, is given notice that he is answerable to the leadership for his actions. The leadership is also trying to put the debate on a political level in face of a rival dealing with effectiveness, and it basically "wonders," with Mr Jospin, whether the differences separating Mr Rocard from the majority are not serious enough to prevent him from becoming the party's candidate. In fact, these differences touch upon "notions as important as the republic, the nation, and conditions needed to achieve socialism."

* However, Mr Mitterrand declared recently: "There is open candidacy in the PS." (LE MONDE, 13 March)

The Tone Is Rising

In this game, it can be feared that the PS may quickly find its way back to "proceedings" that it meant to avoid. It is true that the cry goes up every time a PS deadline comes up: a national convention is to meet next 26 April, so as to set the date for deciding on the nominating process for the socialist candidate. Mr Claude Hernu, one of Mr Mitterrand's supporters, thinks that this convention will allow the first secretary to "announce his intentions." "At least that is what I wish," added the Rhone representative.

Many are the supporters of Mr Mitterrand who think that this deadline should not be "a picnic" for the Yvelines representative, whom they plan to inform that the party campaign can only start on the date set by the leadership (previously in autumn).

As for Mr Rocard, between two trips abroad and after a tour of Nord-Pas-de-Calais, he is preparing to visit, on 22, 23, and 24 April, three departments that are hostile to him: Lot-et-Garonne, Gironde, and the Atlantic Pyrenees. If it is true that the announcement of this visit gave rise to a certain amount of unrest, it seems that Mr Rocard should be pleased for the reception that is planned for him.

9465

CSO: 3100

DETERIORATION OF PCF LEADERSHIP-INTELLECTUAL RELATIONSHIP

Paris PROJET in French Mar 80 pp 363-366

[Article by Jean Rony*]

[Text] The French Communist Party always has maintained unusual relations with the intellectuals. A point we should make from the start: ever since it was founded, the PCF [French Communist Party] has sought to acquire working-class cadres and thus remove from the intellectual lower-middle class the political ascendancy it had enjoyed in the labor movement. The party's influence upon the intellectuals did, however, soon assert itself: it served as a reference point on two levels.

--As the party of the exploited class, of the poorest people, it exerted an attraction for intellectuals who, either by voting Communist or by joining the party, would become integrated into a community where the stigma of their social origins would fade. The PCF's image as the most sensitive party to social problems, the closest to the workers and their most active defender, does, beyond the ups and downs of politics, find many party sympathizers among the intellectuals.

--While taking some internal power in the party machinery away from the intellectuals, the PCF was returning it to them on the cultural and theoretical levels. There, too, we must consider political uncertainties. In fact, however, intellectuals concerned with avoiding pragmatism or dull positivism would find the PCF to be a party that took theories seriously, that pointed to a world concept as its authority, and integrated art and culture into its struggle. Hence the fascination with the PCF in scientific circles, as well as among poets or plastic surgeons. The specific names are widely known.

Thus we have an unusual and contradictory situation, where the PCF's attractiveness to intellectuals is enhanced by the fact that it is not their party (not merely because one can't expect to build a career in it) and also by the fact, on the other hand, that the party gives them recognition in their intellectual capacity and puts a premium on their work. The

*Jean Rony is the author of "Thirty Years With the Party: a Communist's Soul-Searching" published by C. Bourgois, 1978

situation, however, is also fraught with conflicts. The history of the PCF might be written in terms of the relationship between intellectuals and the working class, or between the intellectuals and the party machinery, as the party wants to follow the rise of the working class as a subject of history: the crisis involving the surrealist movement of the early '30s, the 1939 crisis linked with the German Soviet alliance, the cold war crisis, the 1956 crisis, with the disclosures regarding Stalinism, and the 1968 crisis, when the Communist Party found itself in an insecure position in relation to the student movement. In every case, some heavy losses, sometimes spectacular ones, and a weakening of party influence among intellectual classes. In every case also, a rather good ability to reestablish contact with the young generations of intellectuals, and to adapt to the new aspects of these intellectual classes (cadres, technicians and teaching personnel).

Rising Out Of the Crisis

Now two questions come up: are those recurring crises no more than episodes without major significance, the superficial aspect of a deeper movement, bringing intellectuals closer to the working class as they become more numerous and proletarianized, or do they signify an insoluble contradiction which may ultimately lead to a failure? Furthermore, does the crisis currently growing between the PCF and its intellectual members ever since the Leftist Union broke down, [does that current crisis] exhibit characteristic features in relation to previous crises? More precisely, have first steps been taken towards some possibility of recovery--or haven't they?

It would seem that the PCF was clumsy in its handling of the influence it had acquired in educated circles between 1934 and 1947. First there was its characteristic zeal between 1948 and 1953, and, more significant, the internal blocking during the 20th Congress of the CPSU in 1956 and the disclosures concerning Stalinism. The PCF sought to avoid a crisis and a confrontation but achieved this only by weakening its capacity for influence. On this subject, we might make a comparison with the Italian Communist Party. The latter confronted the problems which originated in 1956 and, although violently shaken, established new legitimate foundations and resumed uninterrupted advances which carried it beyond the 30 percent mark among the voting public. On the other hand, the PCF's influence seemingly has begun to slowly subside, as each election confirms. This, however, does not represent an inevitable fate or inexorable decline. For instance, during the rising phase of the Leftist Union (1971-1977), the PCF attracted intellectuals such as research people and cadres anxious to use their talents in the service of the society plan expressed in the joint program. Throughout that period, the PCF was able to place its own "experts" to work in many areas (a rather different phenomenon from that which involved the rise of the "enarques" [students or graduates of the National School of Administration] in the leadership of the PS [Socialist Party]). That generation was sorely affected by the 1978 failure and, as far as the majority is concerned, it has ceased to follow directions.

The current crisis is taking place against the backdrop of the crisis in the international Communist movement as well as in Marxism as a whole. Eurocommunism contains the outline of a solution to that crisis and displays the theoretical vitality of the Communist parties which are its spokesmen. The PCF, however, has a declarative view of eurocommunism: for the PCF, this does not involve strategy but rather a system of principles to be affirmed and reaffirmed. The resumption of a speech centered on "revolution" may be considered as a--however temporary--shelving of eurocommunist problem-solving based on transition. Can the PCF then expect from this an extension of its influence among intellectuals? The objective the party is now putting forward is that it wants to recreate certainties and fight hopelessness. This is a praiseworthy objective, not a utopian one, provided that one's background is the Marxist crisis and the crisis in the international communist movement. Support of the Soviet actions in Afghanistan does not go in that same direction. This enables us to formulate the hypothesis that the current PCF crisis (which is not restricted to troubles with intellectuals only) is more serious than the previous ones. The political choice consisting in placing priority on the rebalancing of the Left does not have sufficient strategic momentum to allow a revival to take place, and the revolutionary speeches do not represent a strategy.

An Ambiguous Opening

After the 23d Congress (May 1979), the PCF leadership appeared to open up further to intellectuals. Several steps had been taken in that direction. The first, incidentally, consisted in gathering a few intellectual protesters around Georges Marchais at the Hotel PLM [expansion unknown]. The other three had more repercussions, or were more consistent. [They were:]

--Launching a new weekly aimed at the intellectuals and not subject to the limitations placed upon an official party organ. The project, once on its way to realization, attracted a sufficient number of intellectuals, among whom were many one might consider to be "critics." Thus it was possible to assemble a prestigious editorial board. Unfortunately, to this day the board has met only twice: it was in no way connected with the preparation of the newspaper that will come out in March, under a masthead imposed by the Politburo: REVOLUTION. Among the members of that editorial board, one, Antoine Vitez, has left the PCF, while others have signed one or more of the petitions making the rounds (on Czechoslovakia, on the Leftist Union, and on Afghanistan), each of which is a challenge to PCF policy. The future of REVOLUTION does not augur well. This may not be important, perhaps, if the aim pursued was mainly a reorganization of the communist press and the disappearance of LA NOUVELLE CRITIQUE [NEW CRITICISM]: that periodical had been harshly blamed for its open attitude after March 1978, and its editor-in-chief, Francois Hincker, had not been reappointed to the Central Committee during the 23d Congress.

--The creation of a new Institute for Marxist Research [IRM], result of the merger between the Institut Maurice Thorez (with its historical orientation) and the Centre d'Etudes et de Recherches Marxistes [Center for Marxist Studies and Research or CERM], an interdisciplinary center. The "days of Bobigny" (1 and 2 December 1979), which involved more than 1,500 communist intellectuals, made it clear how much demand there was for such an institute. Be that as it may, the IRM executive board designated by the leaders of the party has not yet been able to take office. At this point only a fraction of that board--closely connected to the party machine--is known. There is reason to believe that there will be an increase of Central Committee members [on the board] and that the IRM will have to be more effective than the CERM in fulfilling its duties in the service of the party's political line. Some scheduled talks, that will highlight its activities in the coming months, will mark our path to the presidential elections. Some Marxist theoreticians linked with the teachings of Louis Althusser (Georges Labica and Etienne Balibar) or to Gramsci's (Christine Buci-Glucksmann and Jacques Texier) have refused to associate themselves with the IRM leadership, because of the lack of guarantees regarding freedom to do research, particularly in fields close to politics: It is obvious that the problem has different facets as regards physicists, for instance.

--Summoning a National Council, designed for intellectuals, on 9 and 10 February. This note is being written on the eve of that National Council [meeting] and on the closing day of preparatory talks. A theoretical document had been submitted for consideration by party militants. In fact, the document could only be discussed thanks to the good services of the preparatory commission which removed a great many contributions involving political problems (the best known being those of Helen Parmelin, Jean Elleinstein, Yvonne Quiles and Antoine Spire). Thus the PCF leadership has adopted an essentially defensive attitude. On the issue of leadership by the workers, in particular, the PCF leaders have tolerated no criticism, and we noted how abruptly Claude Frioux's contribution was greeted, even though it was subtle and cautious. Thus the National Council is most likely to be organized as a manifestation of the unanimity of intellectuals grouped around the Party's leadership. Such a manifestation has organizational possibilities, but how credible will it be?

For a better idea of where communist intellectuals stand, perhaps we should also look in the direction of the "petition for unity in the fight," today's expression of the strength of the unifying tendency within the PCF.

8 February 1980

11936
CSO: 3100

'GRAVE POLITICAL CRISIS' SEEN POSSIBLE

Paris LE NOUVEL ECONOMISTE 21 Apr 80 42-44

[Article by Pierre Pean: "France-Algeria: Another Crisis"]

[Text] In trying to impose a doubling of the price of its gas on GDF [French Gas Company], SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] is not merely engaged in another test of strength with a French national company. It is running the risk of opening a serious political crisis and of intensifying the Franco-Algerian dispute.

On Saturday morning 12 April, the methane tanker "Hassi R'Mel" entered the port of Fos coming from Skikda. It was the first ship with Algerian LNG [Liquefied Natural Gas] arriving in France since 13 March. It is also the rabbit pulled out of the hat of Belkacem Nabi, the Algerian minister of Industry, 2 days earlier.

"There has never been any question of suspending deliveries to France in this period of negotiations," he announced in front of several French newsmen. The sailing of the "Hassi R'Mel" was the "proof" that was to accredit the good faith of the Algerians who explain the almost complete stoppage of deliveries of gas to France by "technical problems."

Bluff. The delivery of 40,000 cubic meters of LNG and the "technical reasons" invoked by Nabi are probably part of a war of nerves to put pressure on the difficult negotiations between SONATRECH and GDF on the price of the gas. The contracts between the two national companies provide for sending 17 methane tankers a month (3 from Arzew and 14 from Skikda). Now, since the beginning of the year, 11 ships arrived in January, 7 in February and 3 in March! The cause for the "technical reasons" was also in Nabi's hat. The whole trouble was said to come from "a plant of French design (TECHNIP) poorly established and operating so-so."

It seems that the 200 French cooperation technicians hired out by GDF to SONATRACH are not of the same opinion as Nabi. The liquefaction plants are in operating conditions. The minister of Industry has, in fact, launched out into a bold poker bluff. At the risk of giving rise to a

serious political crisis between Algeria and France. This new test of strength engaged between an Algerian minister of Industry and a French national company is reminiscent of the one in 1970-1971 between Belaid Abdeslam and ELF-ERAP (Gasoline and Lubricants Company of France-Petroleum Prospecting and Activities Enterprise). Nabi, who is dreaming of reaching the international stature of his enemy, Abdeslam, is playing for high stakes in this matter. Therefore, it is indispensable to bluff.

"Unacceptable." SONATRACH is demanding from the French Gas Company double the price of liquefied natural gas. In order to show that GDF has no other alternative than to agree to its "diktat," it is already billing its deliveries at \$6 a million BTU [British Thermal Unit]. In other words, the price demanded by it, which is exactly double the price that GDF regards as "fair." Before flying to Algiers for the third time in a month, a French negotiator said: "It is out of the question to give in. That price is unacceptable." On their arrival, last Wednesday, the representatives of the French national enterprise undertook to demonstrate to the Algerians that they were on the wrong path.

The new team in Algiers has, in fact, completely changed its gas policy. It even accuses the former team of incompetence, and even dishonesty. "The El Paso affair is price-cutting," the owner of Hassi R'Mel, the large gas field, stated. Nabi is also taking up arms against the huge Algerian investments, both at Hassi R'Mel (\$5 billion) and at the end of the line at Arzew and Skikda, while less expensive gas pipelines suffice.

The SONATRACH officials put forward two arguments to justify their demand for price parity with oil. "A fair price for gas will encourage, stimulate investments in prospecting and development and will penalize waste." They are certain that they can definitely drive the nail home when they call on as witnesses the Dutch, the Americans and the Japanese who have demanded or agreed to a sizable increase in gas price since the first of the year. Finally, according to Nabi, the high price is justified by the reliability of supply provided by the very long term of the contracts: 20 years. "That is a basic factor about which it will be necessary to talk one of these days," he said, implying that the price demanded at present does not yet take this factor into account.

Moreover, the Algerians have already shown the cloven hoof on the future price of gas. An APS [Algerian Press Service] dispatch recently mentioned the figure of \$9 dollars a million BTU, which is, as the writer states, the replacement price of coal gas! In the future, Algiers is, therefore, contemplating tripling the price.

Solidarity. GDF will dispute their analysis point by point. "The United States and Japan have agreed to a price equal to the one that we find fair, that is to say \$3 a million BTU*," its representatives will say. The

*A comparison of the heating power of two energies is made on the basis of 1 barrel of oil = 5.8 million BTU. This explains the Algerian demand. With the price of a barrel of Algerian oil at \$34.2, the price of a million BTU would, then, amount to \$5.90.

United States has accepted "gaseous" gas delivered at its borders at \$4.47. If \$1 dollar is subtracted from this price for transportation and 40 cents for regasification, we arrive at a price of \$3 FOB the Algerian coast. Japan has agreed to a price indexed on the most expensive crude oil from Abu Dhabi, but a million BTU amounts to \$5.35, or an FOB price of \$3.40 (taking into account \$1.50 for transportation). The Dutch demands are now known. They are much lower than the Algerian demands. GASUNIE is asking for a 57-percent increase. "There is no question of stopping shipments from Groningen. The words of the Netherlands minister of Economy have been misinterpreted," it is added at The Hague, by way of solidarity with Paris and not with Algiers.

GDF also rejects the principle of parity with oil, because "gas has no by-product that is increased in value like fuels." In addition to words, the national company does not lack trump cards. First of all, it will be supported by the other six large European buyers who are encouraging it to "hold firm." Algiers will have difficulty in playing them against each other. The size of the investments leads them to share risks by forming a consortium at each contract. Therefore, SONATRACH would have difficulty in finding a replacement for GDF in case of a break.

Rationing. In the longer term, Algeria's challenging a contract revised in 1979 raises weighty problems. "Tomorrow, who will put billions in a pipe that may be blocked off at any time?" it was stated at GDF headquarters. The French are also ironic on the argument of reliability put forward by Nabi. And, just as a scalded cat is afraid of cold water, they will try to find more reliable sources of supply and will develop coal gasification more rapidly. But all that is not for tomorrow. Algiers supplies 12.5 percent of the gas consumed in France and, starting in 1985, was to provide one-fourth of its supply. In order to palliate the stoppage of Algerian shipments -- for technical or political reasons -- GDF has already brought into play the interruptibility clause with large industrial customers and has obtained an extension from the Dutch. That will not suffice to prevent a little rationing next winter, if access to Algerian gas is cut off durably.

For the present, the cost of this affair is borne by Algeria. The loss of earnings with GDF already amounts to around 500 million francs and the suspension of the American El Paso contract is costing it \$2 million a day. The cost risks going beyond the economic field. If the "gas" case is not settled in the next few days, it will be added to the weighty Franco-Algerian dispute. Then, the problem of gas-petroleum parity will no longer have great importance.

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BALLISTICS, SPACE SYSTEMS DIRECTOR USUNIER INTERVIEWED

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Apr 80
p 17

[Interview with Pierre M. Usunier, director of Aerospatiale's Ballistic and Space Systems Division, date and place not given]

[Text] [Question] Is it possible that the government may make a decision on the start of the SX surface to surface missile program in June? Logically, you would handle its development. In case a decision to go ahead with its development is made, would this be a new SSBS [Surface to Surface Strategic Ballistic Missile] program for your company?

[Answer] It is quite likely that the government in the middle of the year will begin to think about what followup should be given to the ballistic programs in the context of our general situation, particularly the international situation.

Among the studies our company is doing, there is a project to develop a highly mobile, deployable missile with a rapid response capability, a missile that we call the SX.

So, will this missile be the successor to the SSBS? If you mean that it is a missile with a land or air deployment, you are right. If your question meant whether the missile would be deployed on the Albion plateau base, I think you would not be right there, for the deployment being considered for this missile, although not totally worked out yet, is a deployment that will probably be much more widely dispersed than the missiles on the Albion plateau.

[Question] What resources would be involved in handling its development? In terms of studies, financial resources, and production?

[Answer] Concerning the volume of studies, we can say that the experience we have acquired in ballistic systems would be fully put to use for this new SX system. As for the resources involved, we would use the present resources of our division which are now allocated to the SSBS and S3 systems, resources which will become "available" at the end of development of these systems, and so which could be gradually mobilized starting in 1980. And this would continue throughout the entire duration of the development of the new system.

Financially, we have estimated the cost of this system for our national defense needs. It is a reasonable cost that probably enters rather easily in military programming. The reason why this system is not very expensive is that there is a highly simplified infrastructure. As the SX system is totally transportable (either by road on an ordinary half-trailer or by plane), the cost of the missile and its immediate environment is preponderant, and the related expenses (I am thinking in particular of the very expensive building facilities) are much less, for example, than for the present S3 system. So its production would not oblige the state and society to make a very large investment.

[Question] You are speaking of a reasonable cost. What is the order of magnitude involved?

[Answer] I will not mention any figures, and I prefer to let the Defense Ministry officials release the cost figures.

[Question] Would this new program take the place of the old one?

[Answer] Certainly. The volume of activity to which it would give rise would be on the same order as for the old system. In any event, Aerospatiale does have other activities that will replace the old activities. In particular, during the 1980-1990 decade the M4 program will probably give rise to a certain number of improvements that we can not define right now, but that are part of the general studies that we are doing, and for which we are submitting proposals to the General Armament Delegation.

[Question] What sort of schedule might be planned?

[Answer] We are thinking that a reasonable period of about 6 to 7 years starting from the time of the government's decision would be needed to get the SX in operational service.

[Question] The SX is in competition with the cruise missile concept. If the SX were not to be selected, what would then be the future of ballistics at Aerospatiale?

[Answer] The problem of cruise missiles is included in the general studies that we are doing at Aerospatiale. And let me take this opportunity to say that we started doing studies of terrain reconnaissance which prefigured the guidance systems of the cruise missiles in 1960, and we believe that we are perfectly capable of doing a study of this type of missile, just as we are of the SX missile. And consequently, if a decision were made in favor of the cruise missile, Aerospatiale would quite obviously be a leading contender for its development.

[Question] Concerning "Ariane", the program in which your company is very heavily involved, how are you going to occupy the capacity of your research staff after the first shots?

[Answer] The final development of the "Ariane" in its present version is not yet completed; there are still three shots to be made. We will have to help the CNES [National Center for Space Research] with conducting these launches. We will also be involved in the construction of the second launch pad. Consequently, you shouldn't think that the development of "Ariane" in its first version, is done. Also, there are the "Ariane" II and III versions that have already been begun, and Aerospatiale is considerably involved in these new versions of the launch vehicle. Furthermore, the production of "Ariane" by the Arianespace company means a relatively large amount of work for our staff.

But your question does remain a valid one in the sense that it is from the "Ariane" IV and V versions, which have not yet been definitely ordered, that Aerospatiale's activity will become an important factor once again. With the function of industrial architect its workload will then resume at a level comparable to what it was during 1978 and 1979 during the development of the first versions of the launch vehicle.

[Question] And until then?

[Answer] As these two variants of "Ariane" have not yet been approved, there will be a slight reduction in our overall "Ariane" activity. But we will make use of this slack period to develop military applications, as well as some other space activities. And then, the projects for the development of the "Hermes" space transporter and of factories in space will begin to take shape. So I am not at all worried about our workload.

MILITARY PROMOTIONS, APPOINTMENTS NOTED

Paris LE MONDE in French 18 Apr 80 p 9

[Article: "Defense: General Sabouret Gets His Fourth Star"]

[Text] At the suggestion of Mr Yvon Bourges, minister of defense, the Council of Ministers approved on Wednesday, 16 April, the pro-Moulton; brigadier, the in the army [as published].

Ground forces: Major General Philippe Sabouret was promoted to and given the title of lieutenant general.

Brigadier Pierre Moulton was raised in rank to major general; Colonels Pierre Hovette, Jean-Francois Silvestre, Jean-Louis Delmas, and Jean Darleguy (named assistant manager for organization, personnel, and education in the main department of the communications corps) were promoted to the rank of brigadier.

Appointed: Brigadier Jacques Dard to commander of communications of III Army Corps and 1st Military Region (Paris).

Air force: Brigadier Pierre Montrelay was promoted to major general; Colonel Marc Faivre was promoted to brigadier.

Armaments: Engineer First Class Louis Pacaud was appointed to assistant director of industrial supervision of armaments (SIAR); Engineer First Class Robert Gaillardot was appointed regional director of SIAR; and Engineer Second Class Lucien Cruchant was appointed representative for the SIAR director.

Gendarmerie: Colonels Louis Ouvrard (appointed regional major of the national gendarmerie of Lille), Guy Delfosse and Gabriel Ceillon (appointed assistant director of personnel to the national gendarmerie) were promoted to the rank of brigadier.

FRENCH-CHINESE YELLOW SEA OIL EXPLORATION, PRODUCTION ACCORD

Paris LE MONDE in French 3 May 80 p 32

[Text] The CFP (French Petroleum Company) and the Elf-Aquitaine Company have just signed an association agreement in Peking with the Chinese Petroleum Company for the exploitation and production of hydrocarbons in the Yellow Sea. The agreement runs for 4 years.

The prospecting will be carried out by Elf-Aquitaine within an area of 10,000 square kilometers, in the Bay of Pohair while the CFP will cover the same surface area south of the Peninsula of Shandong. The two French companies will be "operators."

The agreement is of the "risk sharing" type where each of the partners finances a portion of the investment, with the operator being remunerated by means of petroleum in case of discovery.

This is the first time that French companies have become associated in prospecting and production in China. So far, the two French companies had been assigned seismic prospecting work in a portion of the continental shelf along the Yellow Sea.

5058

CSO: 3100

ALUMINUM PLANT CONSTRUCTION FOR INDIA AGREED UPON

Paris LE MONDE in French 18 Apr 80 p 36

[Article: "France May Build Giant Aluminum Plant in India"]

[Text] It was announced in Calcutta, on Wednesday, 16 April, by Mr Pranab Kumar Mukherjee, Indian minister of commerce, that France and India have reached an agreement in principle for the construction of an aluminum plant in Orissa. The plan, which had been mentioned at the time of Mr Giscard d'Estaing's visit to India at the end of January, is a very extensive one since it concerns the construction of an "integrated" plant: The exploitation of a bauxite mine, the production of alumina (800,000 tons per year), the production of aluminum (220,000 tons per year), and infrastructures.

A very tentative estimate of the cost is \$2 billion. France would lend the necessary funds through public and bank credits. The interest rates on these "mixed" credits may be about 5 percent. India would export half of the output of this giant plant (as a comparison, the annual output of Pechiney-Ugine-Kuhlmann [PUK] is about 450,000 tons).

PUK has already done preliminary studies and would make technical contributions.

9465

CSO: 3100

BRIEFS

STRATEGIC METALS CRISIS--Is a crisis in the supplying of "strategic" metals conceivable? Mr Jean-Yves Eichenberger, president of the non-ferrous Ore and Metals Federation, is concerned about the shortage of investments. Our country, in the short term, has a sufficient supply of only the four following metals: nickel, aluminium, uranium and lead. [Text] [Paris LE NOUVEL ECONOMISTE in French 28 Apr 80 p 110] 9592

NEGOTIATION WITH INDIA--Since 21 April, a French delegation has been negotiating in New Delhi the construction of an aluminium complex which will transform, according to the PUK technology, the vast indian bauxite reserves. The agreement should be signed in June. [Text] [Paris LE NOUVEL ECONOMISTE in French 28 Apr 80 p 110] 9592

CSO: 3100

SOCIAL SECURITY GOVERNOR REPORTS ON PENSIONERS' AGE

Athens EPIKAIRA in Greek 1-7 May 80 pp 38,39

[Article by K. Kalandais: "In Greece, the Youngest Are Pensioners"]

[Text] "We are probably the only country in the world with the youngest old-age pensioners. This is not happening in professions like mining, etc., where early pensioning can function as an incentive to attract workers to such hard professions. It is happening among civil servants, military personnel, bank employees and others in the broadest public sector. All of these people, being still young, jostle one another in seizing new public and private positions, with all the resulting social side-effects."

"All these," said IKA [Social Insurance Foundation] Governor Averkios Karalis to EPIKAIRA, "in combination with the large number of insurance organizations, their dissimilarity, and the favor of strictness, in many cases, of their insurance regulations, have led us to having an army of lowly-pensioned persons (about 250,000) on the one hand, and, on the other, about 40,000 elderly persons without a pension or means of livelihood."

"The prolongation," Karalis continued, "of the length of the average life expectancy is naturally going to increase the insurance cost which, with early pensioning, becomes double because the individual is pensioned for more years and makes contributions to the insurance fund for less years. If the continuing decrease in the number of births is added to all these factors, it becomes obvious that at some point a smaller and smaller number of workers will maintain with their contributions a continually increasing number of pensioners, with a danger of our insurance system economically collapsing. I pointed out this danger in a recent discussion about social insurance. As concerns IKA, the danger is greater because, with the new regulations in the pensions sector, and especially the significant increase in presumptive wages and insurance categories (without an analogous shielding of IKA against misrepresentations and frauds of the regulation related to the median pension payments) the position of any presently lowly-pensioned person is now becoming nearly that of a highly-pensioned person."

What Must Happen

We asked Karalis (who has enormous experience in social insurance matters and represents the modern technocrat) what, in his opinion, is the solution to this problem.

"I answer with the formulation of personal opinion," he said, "and I am analyzing for you the idea which I expressed in the discussion on social insurance. A solution to the problem exists; we must first of all seek it in the association of each insured person's insurance life not with days of employment but with the reduction of each of his insurable salaries to a multiple or submultiple of the salary of the unskilled worker, in the granting of a pension not so much on the basis of age as on the basis of the insured salary of an unskilled worker and in the fixation of this to the salary of an unskilled worker."

What is the benefit?

"In this way, aside from the automatic disinflated readjustment of pensions, we will conquer the problems which are created today by the extension of the five-day work week, we will facilitate employment with hourly wages which our economy and our population's reserve employment forces need so much, but, above all, we will have an elimination or significant reduction of the drain on social insurance proceeds because every insured person will have a direct interest, from the first moment, in declaring accurately both his days of employment and his insurable salary. At the same time, we must solve the matter of successive insurance between the public and private sectors which will facilitate the geographic and professional mobility of our working force."

In your last book (policy of wages and salaries) you spoke about the creation of a Social Fund. What exactly is it?

"The 'Social Fund' must be created with an ample government subsidy; its purpose, in the area of social insurance, is to endow the insurance funds with the burdens it will create for the encouragement of motherhood, the fictitious recognition of previous employment time or the early pensioning of those employed in unattractive or, actually, hard and unhealthy, etc. professions. I return to the principal issue. I think that the insured person's staying in work and the utilization, more generally, of the productive capabilities of our country's human potential (which is necessary for medical and social reasons) will begin to be systematically encouraged by the trade union organizations themselves. This will happen not with a compulsory increase in the age limit but with an enactment of incentives around the manner of computing the pension and an improvement in working conditions."

"Extended" and "Conjugal" Families

"We have," continued Karalis, "one other problem which is the following: The post-war abundant and dense displacement of working hands from rural places to large urban centers and the continuing decrease in Greece's agricultural population led to the disintegration of the family and loosening of family ties.

"The 'extended' family (parents, married children, grandchildren), which was the rule until the 1950's, is being gradually restricted to the so-called 'conjugal' family (parents and under-age children). The loosening of family ties, from an economic viewpoint, results in burdens which previously were shouldered by the family (maintenance or replenishing income of elderly parents) now being gradually and, at an increasing rate, thrown onto society and covered by social insurance.

"In its turn, pensioning of parents intensified the loosening of family ties, resulting in a greater and greater number of pensioners having need of social care.

"In the frameworks of the above social and economic conditions, the problems are being exacerbated by the restriction of the role of elderly persons within the family.

"At the same time, the way of life in large cities deprives the elderly of a social environment in which they could develop a certain activity. This social problem, to the degree which it has appeared in Greece, indirectly influences the policy on pensions and forces on insurance vehicles new tasks and obligations to pensioners.

"Another fact is our country's accession into the EEC. This accession not only will require and impose institutional changes for coordination of our social insurance system with the corresponding EEC systems, but it will gradually lead to harmonization of the systems. However, it will also increase our insured persons' expectations not only in the institutional but also the organizational sector; the latter is perhaps the great challenge which our accession into EEC will create for insurance."

Health

You spoke about a "releasing" of health and this caused certain worries about the fate of various funds.

"By the term 'releasing' of health, I mean that slowly, and after a long time, we will be led to passing the responsibility for health into the state's hands. I expect that this will happen sometime for social, moral, economic and technological reasons. We will reach a coordination of the operation of health services and an institutional harmony. In my opinion, the course of the transformation of Greece's health systems will end in a unified system for all citizens (unrelated to insurance prerequisites)

analogous to the national education system. This system will be financed on the basis of a general policy and will ensure for the whole population (unrelated to geographic, professional, etc. criteria) the care which it will need. This will happen after a long time, as a social development which must not worry anyone; indeed, to the contrary."

9247

CSO: 4908

ORGANIZED LABOR'S VIEWS ON ENERGY CRISIS

CGIL Views

Rome RASSEGNA SINDACALE in Italian 20 Mar 80 pp 12-14

[Article by Paolo Degli Espinosa: "From the Inception of Caorso..."]

[Text] The article by M. Bordini on the nuclear choice (RASSEGNA SINDACALE No 8), succeeds commendably in raising the issue of the need for clarity on important questions like that of "reversibility" [of views], but, in my opinion, develops it in too problematic a frame of reference, considering that we are now 4 years down the road from our 1976 platform.

The article, in fact, fails to address the issue of the developmental policy to be advocated.

Has this issue perhaps been settled?

Gino Giugni, in an article in REPUBBLICA containing favorable views toward organized labor, stated that "its influence on public issues appears now to have very little effect on final basic choices."

I share this view and feel that a debate on the reasons for such a situation and on ways of overcoming it is indispensable, in that what is involved--well beyond the nuclear question--is organized labor's ability or inability to intervene on the issue of developmental policy, and this at a time when its intervention is most needed because of the crisis.

It is not the intent of this article to argue this issue in detail. Suffice it to say that, tendentially, organized labor prospers when the industrialism in which it is rooted also prospers; in a crisis, organized labor must either broaden its representational scope to include new social interests, subjecting its traditional representational area to change, or reduce its role to a purely defensive one.

The points, well known though they are, requiring consideration in overcoming organized labor's subalternate role in economic development, following the EUR [labor union headquarters]--a role that so far has worked to the benefit of the organized workers--are:

--The "productive culture" of the enterprise and management, now in crisis, involves the workers as well; in sum, the fact must be recognized that class consciousness is not coincident with sensitivity toward the problems of development (the relationship between production and social ends, between the workshop and territorial concepts, etc.) and that on knotty issues such as these it is advisable to take up a new role.

--The trade union concept is not coincident with the production concept; in fact, production outside the ambit of the "union contract" is often the most dynamic, because, at least in part, it involves a relationship between capital and labor that not only achieves a "greater yield" but also responds, even though distortedly (in the sense of not readaptively) to new concepts of labor requirements and cultures; perhaps the issue of the non-assimilation of youth, and, above all, those with high school and college diplomas, into the unionized productive system should be addressed in terms of pending employment rather than real and true unemployment.

In this situation, organized labor cannot hope to go forth on its own, but a proxy--to state control or to enterprise--would also be abortive. The only solution lies in a programatic frame of reference, suited to the crisis and articulated to offer a beachhead for intervention by organized society.

Such a terrain on which unionism and the political parties can meet and clash, where superposition of roles is involved, must constitute the first post-Cossiga objective.

Unless action is undertaken in this direction, going beyond merely "representing the membership," the easy road will take precedence within organized labor: that of its strata whose culture and interests are bound to its traditional concept of development; and organized labor may find itself reduced to fulfilling the function of social mediator for the perpetuation of all that is in crisis.

For example, does not the title selected for the Bordini article--"Nuclear Choice of the Elite or of the Masses?"-- suggest a labor unionism less concerned with debating basic choices than with making them the exclusive province of the masses?

The article in fact argues that we must deal with uranium as laymen, but not that the nuclear choice is indeed the best suited to the growth of Italian society.

It is the same old story: If it is the intent of organized labor to leave the basic choice to other organizations and to assume only the task of improving its management, this position should be clearly stated.

The crisis, however, goes beyond simple management aspects, in that it also involves types of investments, type of workplace, employer-employee relationships, relations with other countries, the Southern Italy issue, and so forth; thus, organized labor, if it confines its role to the sharing and improvement of management of the choice, it automatically accepts its own political redimensioning.

Let us take, for example, the 1976 platform on energy. I was one of those who helped draw it up, and it was not viewed as a problem of management. I still consider it today an undertaking to intervene in the international division of labor, but not based on full consciousness of the developmental crisis and of its inherent problem of the relationship between technology and society; central to it, in fact, were considerations of sources and "control of labor supply" rather than of labor requirements and demand.

The sector on which attention was focused, the nuclear sector, that is, was viewed in terms of spatial gains in the fields of technological self-reliance and export--this was the emphasis of the CANDU [expansion unknown] --in what was considered an expanding market.

Instead, the reality that must be faced by anyone who today repropose the nuclear choice is not only that of the current (justified) moratorium but also that of a market for potential made-in-Italy reactors that in practice is confined to our own territory, as well as the reality of a technology that, all things considered, is very restricted: on the one hand, by Bisaglia's statements at Venice in favor of a Western "choice of terrain" (neo-Atlanticism, as regards missiles but also as regards developmental lines), and on the other, by the lack of receptiveness on the part of local populations and public organizations.

Bordini should also take all of this into account when he proposes the nuclear sector as a source of new impetus to Italian research.

With the emergence of security and territorial problems to an unforeseen extent, the worldwide tendency toward a reduction in nuclear investments (Rockefeller Foundation study cited in LA STAMPA of 19 February), and the nonexistence of areas of self-reliance, perhaps a reassessment is in order.

Progressing beyond the 1976 platform, however, substituting solar for nuclear energy and putting research into the design of solar collectors instead of fuel forms. Instead, progressing beyond a sectorial positioning means considering as a whole the problems that at first glance appear remote from the issue, such as, for example, the failure of the energy platform and of Law 285 on youth employment.

As to the crisis, it is difficult to deal with it in the space of a few lines... but what can be said is that the type of development being proposed does not lend itself to expansion, probably because it is incapable of providing a response to the "more advanced" demands generated by the development itself, relating, for example, to work standards and requirements, social controls, territorial receptivity, and so on.

One important aspect of an industrialism based on low-cost oil is its disregard for territorial constraints; environmental damage is not charged financially against the enterprise; it is simply discharged upon the social collectivity.

Another aspect of an industrialism organized on the basis of production by centralized units--with specific employment consequences in Southern Italy --is, on the one hand, a loss of control over decisional power, and, on the other, a high level of energy consumption because of the input and output displacements made necessary by the intervening distances to raw materials and to consumers.

In sum, the advantages of large-scale operations no longer offset a number of disadvantages, including among others the attendant bureaucracy, productive inflexibility, and so on, even to the counteractive effect of labor union activity.

"Submerged" production is certainly not an advantageous solution from the energy standpoint (on the contrary), nor even from the standpoint of achieving a less "interstitial" position in the international division of labor; with its inherent flexibility, however, it does represent, as has been said above, a certain degree--even though misdirected--of response to the problems of employment and of territorial receptivity, which is one of the reasons why it is dynamic.

A fact brought out by the "Saint-Geours Report" (prepared recently by ECC experts) could point the way to a socioeconomic growth "decoupled" from an increase in energy consumption.

"Decoupling" (or "dissociation") means investing in modifications to the system of production and in such services as maximize the social utility of limited quantities of raw materials, particularly energetic materials.

The consumption of these nonrenewable materials would produce what could almost be defined as a "social yield."

What social elements could be expected to support this kind of approach? It becomes clear, once the problem of achieving a bond between the industrial productive unit and its nonproductive exterior is set up, that the "external" social element cannot be viewed solely as a consumer of energy.

Indeed, carrying our thinking beyond the traditional concepts of "enterprise" and "state control" opens a new field of activity for skilled employment and for new institutional functions, above all, territorial ones.

Let us consider, for example, a "regional agency for energy and territorial matters," with responsibility throughout the entire production-society cycle for certain precisely defined tasks and objectives: detailed information on production and consumption throughout the territory for which it is responsible; plans for intervention in the territory's productive operations, its cities, transportation, etc; carrying out of interventions, with availability of necessary funds for financing the modifications; inspections; coordination of municipalized enterprises; utilization of existing research facilities in the region (also for purposes of instituting techniques that have already been developed outside the region or the country); opening up of a flow of employment, based on the foregoing activities, that could be sustained above all by small and medium enterprises and by cooperatives, etc.

To actually realize this potential for change and for socially useful employment, a dispute must be opened, as is obvious, with the government, making maximum use of organized labor's capability for intervention as an organized movement that is at the same time an institution of democracy.

This brings us back to the nuclear question. From the inception of the Caorso nuclear plant--without difficulties, despite the specific unsuitability of the site owing to the concentration of inhabitants and to the structure of the terrain--until the dispute now in progress over the installations the ENEL [National Electric Power Agency] is seeking to build--faced by a prevalent, more or less articulate and circumstantial, opposition on the part of local bodies--the years have passed, and the concern of the people and of the local bodies has grown.

Organized labor must undertake to build upon this new sensitivity and provide it with a positively oriented voice as a direct intervention on the safety and territorial aspects of the various plants (a missing point among the five cited by Bordini), but also as a central point of reference in energy planning.

From this viewpoint, interpreting the lack of a consensus on the nuclear question as purely a matter of management or of lack of information means denying the substance of the argument that has been developed so far.

The nuclear power plant is also a productive unit that puts out a semi-finished product--electric energy--using a concentrated and dangerous kind of process that favors a centralization-oriented viewpoint, wherein the management and inherent elements are deeply interlaced, involving--in a modern version--a kind of production that is typical of the old developmental model, and unsuited, that is, to the territorial concept and to social control.

With regard to safety, Garavini says that "the question cannot be put into terms that would exclude a solution." Nevertheless, the data that little by little becomes available tends not to support this view.

For example, what one perceives in the "Polvani Report" (see the item published in the 1 March issue of *CORRIERE MEDICO*) is the outdating of the standards of 195; the real possibility of a catastrophic accident; the magnitude of the deaths figure, in such case, within a radius of 20 km; etc. For my part, I raise the question, though not a very "emotional" one: What if, as a result of an underestimation by the multinationals or by the American government regarding the implications inherent in a nuclear plant and the sensitivities of peoples, the indispensable safety requirements should raise the economic and social costs beyond the upper limits of possible interest in this kind of energy source?

From the standpoint of an interim transitional policy, the most appropriate orientation must be toward conservation as a source not only of available energy but also of leverage for the transformation of the energy model. As regards renewable sources, they are being referred to in Italy as being beyond reach, even though by the end of the decade the production of per watt of electricity by photovoltaic means will cost less than its production by nuclear means. Hydroelectric and geothermal energy sources must be fully exploited, as must also the coal of the Sulcis. Next, the aim must be to increase our methane imports, based on new relationships with the producers (Algeria, Iran, Libya, etc.) who, for lack of equipment, are currently flaring half the gas they produce.

We must also look toward imported coal, together with planning of the entire cycle and introduction of all the newest technologies that are not even known as yet in Italy, taking full advantage also of its inherent flexibility as regards prices.

The relationship brought out by Bordini between conventional nuclear plants and fast breeders shows clearly that reactors are not headed toward a transition, yet there are already visible indications of a hardening attitude on the part of a government predisposed to give them entry.

Is it worthwhile to pay the cost of a policy of presence in the sector, without having made cost and feasibility studies of contributory sources of energy, and on this basis to undertake the problem of retraining some thousands of workers?

Or, must changing opinion on nuclear energy necessarily be preconceptual? Is Denmark, for example--a small country that thinks only in terms of conservation, heat planning, cogeneration, methane, coal, windmills, etc. and has decided only recently to reject the nuclear solution--a country full of preconceptions or a leading example of a country capable of choosing?

CISL* Views

Rome NOTIZIARIO CERES DI ECONOMIA DEL LAVORO** in Italian 16 Feb 80 pp 1-4

[Article by Luigi Prey: "Energy Outlook and Economic Policy in Italy"***; passages enclosed in slantlines are printed in italics]

[Text] In the light of recent experience, the problems of energy are tending to affect the Italian economic situation by way of 1) alterations in the basic economic variables, ensuing from the variations in the ratio of oil prices to other prices, and 2) the direct and indirect "bottlenecks" to productive growth, stemming from the limited availability of energy as a consumer item and as an intermediate product to be used in the overall productive process. The increases in oil prices as well as the prices of imported raw materials have affected all the industrialized countries, as can be seen from Table 1. The forecasts for 1980 (especially for the first half-year) predict that oil prices will continue to rise with decisive impact on other import prices as a whole and on the dynamics of imports in terms of monetary values (given the strict functional relationship between import volumes and prices), and with direct and indirect impacts on domestic prices as well.¹ This will tend more and more to bring about the need for further alterations in the economic variables in order to maintain a certain equilibrium on the macroeconomic level.

According to the CONFINDUSTRIA document--"A challenge to the creation of capital for the future of the nation," containing an industry proposal on the "...economic policy framework, in which the energy problem, in terms of quantities and prices, must necessarily find a place"--such alterations will have to be made in Italy and will continue to operate detrimentally toward investments in industry. From a macroeconomic viewpoint, investments have declined, at constant prices, from 19.5 percent of the total supply of goods and services (GNP plus imports) in 1973 to 16.8 percent in 1976 to 14.4 percent in 1978, while the level of consumption of final goods and services has remained relatively constant and the level of exports of goods and services has risen from 14.8 percent in 1973 to 17.9 percent

* CISL [Italian Confederation of Labor Unions].

** Semimonthly publication of the CERES [Center for (Socialist) Economic and Social Research] sponsored by the CISL.

*** [Editor's note]: The opportunity afforded us for timely participation in the discussion generated by CONFINDUSTRIA's [General Confederation of Italian Industry] recent document, to which organized labor has already responded, rejecting the possibility of reexamining the sliding wage scale, has warranted an earlier than scheduled publication of this issue of our NOTIZIARIO, which although dated 16 February had already been printed on 27 January 1980.

in 1976 to 20.1 percent in 1978. Although the analysis of the causes of this evolution is not very clear or straightforward (and is mixed in part with the analysis of effects) in the aforementioned document, CONFINDUSTRIA seems nevertheless to attribute the causes of insufficient capital creation "...to the joint action of relative increases in the prices of raw materials in conjunction with the necessary stabilization policies...", to the effects of which other factors have also added theirs, such as slowdown in the rate of accrual of family savings (from 22 percent of available income in 1973 to 19 percent in 1978) and the growing absorption of savings by the public sector. The rise in prices of energy products and raw materials has discouraged investments, according to this analysis, by compressing profits through the growth in costs, but also slowed down investments because, to avoid or help contain the inflationary effects of these rises, restrictive policies on demand were necessary, with negative effects on the degree of utilization of capital as a component of productive capacity. According still to the CONFINDUSTRIA document, the difficulty of compressing private consumption ("in the presence of sliding wage-scale mechanisms operative over a large portion of workers' incomes...") has favored alterations detrimental to the accumulation of private capital. How this is so is not explicitly stated, but the document appears to hypothesize that it has come about both through the indirect effects of demand upon inflation and on the wage/price spiral and through interconnections with the limited accrual of savings, which have been absorbed in large part by the public sector with negative repercussions on the financing of private investments.

An adjustment of this kind, according to CONFINDUSTRIA, is an irrational response to the problems generated by the rise in prices of oil and raw materials. /The relative increase in the price of energy should have been met by increased investments and not by the mentioned slowing and braking phenomena/. Among other things, and to the extent that no "new economic policy framework" exists, the CONFINDUSTRIA experts expect a continuation of the distorting effects of further energy price increases on the creation of capital in Italy, with the possibility that not only the "prospects of increasing and broadening the fields of employment" but also "those of justifying existing jobs" will eventually be jeopardized.

Based on the assumption that these distorting effects must be avoided and that the energy and raw materials price trends are beyond the control of the authorities in charge of Italian economic policy, the CONFINDUSTRIA document states that to recover a +4 to +5 percent average annual growth rate (necessary to increase "industrial employment stably and sustainedly"), net investments must reach the level of 15 percent of the GNP, or nearly twice the ratio attained in 1977 and 1978.

/To achieve this objective, CONFINDUSTRIA deems it necessary though not sufficient to pursue a decided policy of productive growth. Appropriate policies would also be necessary in regard to inflation, cost of labor and international competitiveness/. With regard to inflation, the CONFINDUSTRIA

document maintains that, in the current economic policy context (provided the government respects its undertakings with regard to the widening economic deficit in the public sector and the monetary growth rate does not exceed +20 percent per annum), the basic 1980 general price level trend will be upward at rates of +15 to +16 percent per annum, with the possibility of their reaching +20 percent in the event of a limited devaluation of the lira and/or a slightly higher money supply growth rate. Higher inflation rates could also result if the dollar prices of oil should increase over +40 percent on average from 1979 to 1980 and the prices of the other raw materials should increase over +20 percent; these rates would be much higher than those forecast by the OECD experts for imports throughout the Western industrialized area (see again Table 1). Other factors could also interfere in the inflationary process, making a restrictive type of economic policy necessary, with negative impacts on the possibilities of achieving the above-cited rate of capital creation.

On the other hand, the CONFINDUSTRIA document stresses that the current sliding wage-scale mechanism tends to translate higher inflation rates, whatever their causes, into higher rates of monetary wage and salary increases (for example, the 1980 sliding wage-scale points would increase from 35 at an inflation rate of +16.5 percent to 46 at +20 percent); and this would render more problematic the containment of the per-unit production cost of labor, which could then only be accomplished through increased productivity, with negative effects on the competitiveness of Italian production and, through reduced exports, on the outlook for expansion of productive capacity in terms of capital outlay.

/Thus, in CONFINDUSTRIA's view, consideration of the problems of inflation and of the effects of increased cost of labor on competitiveness adds urgency to the need to control the trend of labor costs, from the standpoint as well of monetary wages and salaries, with special regard to the regenerative automatism inherent in the sliding wage-scale mechanism/. This view is upheld despite awareness that this approach would shift the burden of the so-called "tax for the benefit of the OPEC countries" (linked to the relative price movements) to groups of salaried workers who would lose purchasing power by comparison with other wage earners, thus introducing inequities into the incomes redistribution process. In one way, the redistributive effects of this approach can be considered positive in that they would forestall a further leveling down of wage scales; in another way, the document under examination holds that these effects would involve necessary sacrifices in view of a better life for our future generations, thanks to the increased capital creation they would make possible today.

Apart from the comments that could be addressed to the significance of these distributive effects from the viewpoint of the workers,² /it is rather surprising to note the degree of certainty with which it is postulated that such a redistribution at the expense of the salaried workers would translate almost automatically into greater investments/. In the

short-term view, there is no doubt that a reduction in the average "degree of coverage" guaranteed to the salaried workers as a whole by the sliding wage-scale, in the presence of inflation at a sustained pace, translates into greater profits than would otherwise be possible. Thus, to the extent it is taken for granted that the growth of the cost components involved in energy and raw materials is uncontrollable, the containment of monetary wages and salaries by way of a redimensioning of the sliding wage-scale can be an effective way of increasing short-term profits. However, Italy's experience over the past decade /fails to yield sufficient evidence to prove that increased profits will automatically translate into a more intense investment effort on the part of enterprises/.

Prior documents published by the same CONFINDUSTRIA have stressed heretofore the importance of a stable growth of production and product demand in relation to the rate of growth in investments, above all when the purpose of the latter was to expand the productive capacity of industry. This importance was further emphasized (as was pointed out in our previous issue of the NOTIZIARIO) in the OECD's latest document relative to the problems of reviving capital creation in all the industrialized nations. /The new CONFINDUSTRIA document under examination herein relegates the role of productive growth and of the product demand curve as a decisive factor in the medium-term capital-accumulation rate to a secondary place in the order of priorities/. There are elements in the current document that even contradict that thesis.

In fact, on the one hand, it seems to argue that the increase in family consumption, powered in part by the wage adjustment mechanism of the sliding wage-scale for workers, has been one of the contributing causes of inadequate private capital creation in Italy over the past several years; but it reveals no concern whatever that a possible future increase in private consumption could, accordingly, further emaciate the stimulus to investments rather than allow it to be shifted from one demand component to another; and not a word is said regarding the significance of concomitant expansion of consumption and capital investments from the second half of 1978 onwards. On the other hand, it argues that the per-unit production cost of labor must be contained to preserve a high level of competitiveness for Italian products and avoid a substantial decline of exports; but the document under examination contains not a word to explain the relationship between the export curve (which shows a decided growth in the ratio of exports to the total effective demand in Italy) and the investment dynamic over the last 5 years; nor does it contain any comment whatever to explain how the future is to bring about different results.

/On the whole, however, the attention devoted by the COMINDUSTRIA document to the sliding wage-scale mechanism appears overly disproportionate with respect to the objective of proposing a new economic policy framework from the viewpoint of the industrialists but nevertheless designed to deliver a real and true challenge to capital creation/. There can be no doubt that

the policy it proposes would safeguard the near-term interests of the industrialists. What remains highly doubtful, however, is how an economic policy thus centered on containment of the sliding wage-scale could indeed revive medium-term creation of capital, correcting the distorting effects produced by increased prices of energy and raw materials.

At this point we must refer again to what in part was emphasized in our preceding issue of the NOTIZIARIO. Without a policy designed to promote a stably expansive medium-term demand--a policy also selective from the standpoint of its dynamic contribution to net investments (investments, that is, oriented toward an expansion of productive capacity) and of its contribution to employment--an enduring revival of capital creation cannot be expected to take place, and much less so a significant expansion of industrial employment. /The "new economic policy framework in which the energy problem must necessarily find a place" must also include adequate provisions in regard to an analogous demand policy, designed and articulated for the medium term, and relevantly linked to the productive structure/.

The CONFINDUSTRIA document is sadly lacking in this regard. It contains a reference back to a previous document (of about 1 year ago) titled "Operation 'Development'"; but the argument presented and discussed therein has not been substantively updated, notwithstanding that the energy problem today has become far more serious. /Especially striking is the discussion of a "challenge to capital creation" that does not in the least take into consideration the role of public investments (or better yet, of a "recharacterized" public expenditure) and that does not reexamine the economic policy pertinent thereto in the light of its resounding failure to meet 1979 expectations in regard to construction and public projects/.

The need for a radically renovated economic policy, designed for the medium term and providing for instrumentalities capable of orienting the diverse (public and private) components of overall demand as well as influencing selectively the productive structures, becomes even more evident as consideration moves from the problems raised by the rise of energy-product prices to those raised by the shortage of available quantities of energy (the second factor mentioned at the start of this analysis).

Referring to the production growth "bottlenecks" ensuing from the limited availability of energy, the CONFINDUSTRIA document states that, based on judicious energy-supply forecasts for Italy (fully overcoming all oil import problems) and assuming an elasticity of energy-consumption demand (in relation to produced income) inferior to that of the past, the possible productive growth rate can be placed at around +3 percent per annum. To attain this rate in the near term and possibly improve it in the medium term, the CONFINDUSTRIA experts assert that a major effort must be made to rationalize the use of available energy resources as well as the use of labor. CONFINDUSTRIA proposes "...the entire increase in productivity be pegged to unit applied labor per equivalent oil ton..." This, according to

CONFINDUSTRIA, would enable increased energy demands for productive purposes alone to be configured concomitantly with increases in employment, made possible, in turn, by significant increases in productivity obtained through modifications in work management, and by improved utilization of energy input per unit labor.

The CONFINDUSTRIA proposal, however, leaves unsolved the very delicate problem: how to link this hypothesis of productivity increases pegged to applied labor per equivalent oil ton interactively with the demand for a resurgence of capital accumulation? To the extent it may be sought to attain an energy consumption elasticity ratio of 0.8 with respect to GNP (well below that assumed in government documents on energy policy based on projections through 1985), the necessary restructurings appear drastic. Should such restructurings be accompanied by a productive capacity expansion in terms of capital, there is a founded fear (based on the German experience involving an elasticity ratio objective of 0.8) that they will result in intensified capital-for-labor substitution processes, with significant negative effects on industrial employment.⁴ The less the effort to predetermine a satisfactory product-demand trend, the more considerable, among other things, are the risks of reducing employment. The economic policy aspects involved are therefore much more complex than those evoked by the CONFINDUSTRIA experts, especially with regard to "flexible work-management."

A discussion in depth of the CONFINDUSTRIA proposal thus cannot focus attention solely on productivity-increase strategies pegged to unit applied labor per equivalent oil ton, under the illusion that this means employment will increase proportionally with the growth of energy consumption demands generated by greater industrial investments.

/The priority objective of the labor unions must be to increase employment among other things to the extent and with the structural characteristics necessary to accommodate the growth of the labor supply, absorbing at the same time the existing backlog of unemployment/underemployment/.

Seen in this light, organized labor cannot acquiesce in a pursuit of productivity increases pegged to employed labor per equivalent oil ton /Organized labor's specific objective must be: productivity increases with energy savings per unit employed labor, in a context of expanding industrial productive capacity in terms of number of employed workers/. This means it must pursue a technical approach that is essentially "energy-saving" per unit production obtained without also being automatically "labor-saving." This means devoting more detailed consideration to the qualitative aspects of product obtained and capital used--more, even, than CONFINDUSTRIA has invoked with regard to the qualitative aspects of labor.

These are the terms of reference within which a further confrontation of views could take place between the labor unions and CONFINDUSTRIA on the issues of productivity and capital accumulation. There is no doubt that

vesting the employment objective with absolute priority can endow the "challenge to the creation of capital for the future of the nation" with meaning for not only the industrialists but for the workers as well.

The "challenge" for the workers, however, flows from a reasoning that differs greatly from that presented in the document under discussion here. To gain a clearer understanding of that reasoning and of the strategic concepts it involves in regard to the pursuit of productivity, control of investments, changes in work organization and methods, and work-scheduling, analytic thought must be directed to the relationships between energy policy and economic policy in Italy, and the results of such thought subjected, as they emerge, to further discussion through CERES publications.

27 January 1980

FOOTNOTES

1. Updating the forecasts of "simulated" effects of +10-percent increases in oil prices, in issue no. 26 (December 1979) of PERSPECTIVES ECONOMICQUES, the OECD experts pointed out that the principal effects will continue to be reflected in import prices and monetary values of exports, and that effects in other directions (more relevant than had been forecast in the recent past and indicated in NOTIZIARIO CERES DI ECONOMIA DEL LAVORO, No. 16/1979) will not be lacking.
2. The reasoning with regard to the positive significance of the least "leveling down" of various employed worker incomes must be interpreted as highly specious, since what appears to most concern the CONFINDUSTRIA experts is a redistribution that will increase profits.
3. The CONFINDUSTRIA document states that "...in the presence of a possible drop of 1.5-2 percentage points in the export growth rate, production would drop 0.3-0.5 percentage points, causing a further rise in the cost of labor per unit production..."
4. This reasoning is based on data supplied to the OECD International Energy Agency by the various countries.

TABLE 1 - Variations in Domestic and Export Prices and in Overall Imports by OECD Member Countries from 1976 to 1980 (annual percentage rates of change)

	(1) in rapporto all'anno precedente					(2) in rapporto al semestre precedente				
	1976	1977	1978	1979	1980	1979	1980	1981	1982	1983
(5) <i>Prezzi interni</i>										
(6) Indici dei prezzi impliciti per il calcolo del prodotto nazionale lordo	+ 7,5	+ 7,5	+ 7,5	+ 8,0	+ 8,0	+ 7,5	+ 8,0	+ 7,5	+ 8,3	+ 8,0
(7) Indici dei prezzi impliciti per il calcolo del PIL ponderati in base alle esportazioni degli specifici Paesi	+ 8,0	+ 8,0	+ 7,3	+ 8,0	+ 8,0	+ 7,0	+ 7,8	+ 7,5	+ 8,3	+ 8,5
(8) Indici dei prezzi al consumo ponderati allo stesso modo	+ 8,5	+ 8,5	+ 8,8	+ 7,8	+ 8,3	+ 6,5	+ 8,5	+ 7,3	+ 12,3	+ 8,3
(9) <i>Prezzi alle esportazioni ed alle importazioni in moneta nazionale (valori medi)</i>										
(10) esportazioni totali	+ 6,3	+ 6,3	+ 3,3	+ 9,5	+ 10,0	+ 7,8	+ 3,5	+ 11,0	+ 12,0	+ 6,8
(11) importazioni totali	+ 7,0	+ 7,5	+ 1,3	+ 13,5	+ 13,5	+ 1,8	+ 1,0	+ 14,3	+ 24,8	+ 11,3
(12) esportazioni di manufatti	+ 7,0	+ 8,8	+ 3,5	+ 8,5	+ 3,5	+ 3,5	+ 3,5	+ 10,0	+ 10,0	+ 8,5
(13) importazioni nette di petrolio	+ 12,8	+ 7,0	- 8,0	+ 31,5	+ 33,8	- 6,5	- 8,5	+ 29,8	+ 88,8	+ 8,0
(14) importazioni nette di materie prime	+ 8,5	+ 18,0	- 2,0	+ 8,0	+ 8,0	- 5,8	- 8,0	+ 12,0	+ 17,3	+ 5,8
(15) <i>Prezzi alle esportazioni ed alle importazioni in dollari (valori medi)</i>										
(10) esportazioni totali	+ 0,5	+ 8,0	+ 13,5	+ 13,5	+ 9,5	+ 15,5	+ 16,5	+ 12,0	+ 14,5	+ 7,8
(11) importazioni totali	+ 1,0	+ 8,8	+ 10,0	+ 17,5	+ 13,0	+ 12,3	+ 12,5	+ 15,5	+ 27,8	+ 6,5
(12) esportazioni di manufatti	+ 1,8	+ 8,5	+ 11,0	+ 12,5	+ 8,8	+ 18,5	+ 18,3	+ 10,5	+ 12,5	+ 7,5
(13) importazioni nette di petrolio	+ 6,5	+ 8,0	+ 2,0	+ 34,0	+ 32,0	+ 1,0	+ 0,3	+ 28,0	+ 88,8	+ 8,0
(14) importazioni nette di materie prime	+ 3,0	+ 20,0	+ 8,0	+ 10,5	+ 8,8	+ 8,0	+ 3,0	+ 11,0	+ 17,0	+ 3,5
(16) <i>Prezzi all'esportazione di petrolio dall'OPEC (in dollari)</i>	+ 8,0	+ 10,0	0	+ 41,0	+ 29,0	0	0	+ 42,0	+ 87,5	+ 8,5
(17) <i>Prezzi all'esportazione di prodotti non petroliferi dai Paesi in via di sviluppo</i>	+ 7,0	+ 25,0	- 7,5	+ 18,0	+ 8,5	- 8,0	+ 2,0	+ 18,5	+ 25,5	+ 2,0
(18) di cui: prodotti agricoli	+ 6,0	+ 37,0	- 13,0	+ 10,0	+ 8,5	- 7,0	+ 2,0	+ 27,0	+ 27,5	+ 1,5
(19) materie prime agricole	+ 18,5	+ 6,5	+ 10,5	+ 25,5	+ 7,5	+ 12,0	+ 27,0	+ 24,0	+ 17,5	+ 3,0
(20) minerali e metalli	- 2,0	+ 8,5	+ 8,8	+ 27,0	+ 8,5	+ 2,0	+ 22,0	+ 37,0	+ 13,5	+ 3,0
(21) <i>Fonte: Ossa, Perspectives Economiques de l'OCDE - n. 28, dicembre 1979, p. 63.</i>										

[Key on next page]

Key to TABLE 1 on preceding page:

1. With respect to preceding year
2. With respect to preceding half-year
3. First half
4. Second half
5. Domestic prices
6. Implicit price indexes for calculating the GNP
7. Implicit price indexes for calculating the GNP weighted on the basis of each country's exports
8. Consumer prices indexes weighted as in 7.
9. Export and import prices in national currency (average values)
10. Total exports
11. Total imports
12. Manufactures exports
13. Net oil imports
14. Net raw materials imports
15. Export and import prices in dollars (average values)
16. OPEC oil export prices (in dollars)
17. Export prices of nonpetroleum products from developing countries
18. Of which: foodstuffs
19. agricultural raw materials
20. minerals and metals
21. Source: OECD: PERSPECTIVES ECONOMIQUES DE L'OCDE, No. 26, December 1979, p 63.

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MINISTER VAN AARDENNE'S BACKGROUND, POLITICAL LINE SCRUTINIZED

Amsterdam ELSEVIERS MAGAZINE in Dutch 12 Apr 80 pp 12-21

[Article by Onno Reitsma]

[Text] News of disaster. When Gijs van Aardenne, minister of economic affairs, anew makes the fat headlines on the front page, he brings bad news. The dismissals announced may then be quoted in the hundreds. His predecessor in the Ministry of Economic Affairs, Lubbers, sometimes managed to get on the front page by driving his car, at excessive speeds, through the grounds of the royal residence. Not a single drop too much to drink, no improper words, no step outside the prescribed limits.

The 'Rabbit Countries' of Gijs van Aardenne

Gijsbert Michiel Vredenrijk van Aardenne, economist, 50 years old. If, at a family gathering of the van Aardenne family, you would shout 'Gijs' half the male members of the family present would react. With Michiel, you would get the same result, though with the other half of the male family. And the name of Vredenrijk, cognate to Friedrich and Frederik, appears frequently in van Aardenne passports. External characteristics of a family steeped in tradition, sometimes described as a Dordrecht family of rulers, these are the roots of a liberal in the Ministry of Economic Affairs. Somewhat irritated by the genealogical interpretation, Gijs van Aardenne corrects the picture: "My grandfather started without anything at all. He joined the Dordrecht firm of Penn & Bauduin as a works manager, and he worked his way up in that firm. That is the way that enterprise got into the hands of the family." This was the situation around the turn of the century. And, as was the custom at the time in family enterprises, only a few sons joined in the management of Penn & Bauduin, a construction enterprise. The more talented ones made their own career, like Gijs's father, who set up as a surgeon in Rotterdam. He had two children: Micha and Gijs. Micha became a physician, Gijs an economist.

A spontaneous flash of thought at the first meeting--in the ministry--with van Aardenne: the brightest boy in the class, who, however, in the secondary school, would be the last one to be picked when sports teams had to be selected. Second thought while we are sitting at the conference table in his office: the first shy minister I ever saw. Wooden. He looks at you for an instant, then he turns his grey eyes away, while talking. Third impression, in retrospect--a couple of days later in the Second Chamber, not at all wooden, he feels like a fish in water; despite all venomous attacks from the opposition: Gijs van Aardenne finds that other people have got nothing to do with his innermost feelings, with his personal life. But since, in addition to being a minister, he is also a politician, he feels that he has got to cooperate on a story like this one. Because a politician without publicity will soon find the need to choose another profession. End to impressions.

"We were brought up in a very protected environment. When I was 8 years old, I was still brought to school. That changed somewhat when Gijs was born, then the attention concentrated more on him." Gijs's sister Micha, now Mrs. Bakker-Van Aardenne, and a physician in the Hague, shows in a photo album a picture of the parents' home in Rotterdam. The somewhat yellowish snapshot from the thirties shows a patrician house along the Westersingel Canal. In front of the door, the automobile of the family, behind it, the driver with a cap on. Halfway cut out of the picture, a horse in harness. A charming picture of the life of the well-to-do, half a century ago. Mrs. Bakker, 8 years older than her brother, the minister, and outwardly his diametrical opposite--spontaneous, quick and talking with ease about herself, her brother and their childhood home, described the environment in which Gijs van Aardenne grew up: "Our father was a very quiet man, who seldom was angry. I have often seen him busy during operations in the hospital. Other surgeons probably become infuriated if something goes wrong, father never did. No improper words would pass his lips. We had a German children's nurse. It was she who read to us, who sang with us, and who told us stories. She left us when I started primary school, but she returned again when Gijs was born. Ours was a somewhat slow, conservative family, I believe. Parties were never given, our parents hardly drank, but they did smoke. And they went to concerts. Conservative, yes. We got a radio at a very late stage, and my father would shudder at the idea of ever entering a department store, such as De Bijenkorf. And while all children in my class had already been abroad several times, I went to Belgium for the first time when I was 13 years old. We spent our summer holidays in a rented house in Noordwijk. Everything came along, also the children's nurse, and we almost needed a truck to move everything. Thrift was practiced with diligence. 'I work for the taxes only,' my father would often say. For, in addition to being a surgeon, he was still also a dormant partner of Penn & Bauduin, the enterprise in Dordrecht which he had inherited together with his brothers. But even if there was money enough, every penny was turned three times before it was spent. No squander, was the maxim."

This was thus the atmosphere in which the present minister of economic affairs grew up.

"As a child, Gijs was somewhat sickly," his sister Micha remembers. "Everybody gets the flu once in a while, but with Gijs it immediately developed into a high fever, and he was then terribly ill." Other memories: the intellectual child. From the beginning, he was always busy writing on paper. "When ill in bed--he was 5 years old at the time and already in primary school, a very early starter--he was busy with his 'rabbitt countries.' He let them wage war against each other, and peace terms and adjustments of frontiers then had to be worked out; laws were devised, he put everything down on paper; things like this would keep him busy for days."

This paper work of her brother sometimes irritated Micha. She herself played 'Red Indians' with her girl-friends, and she never understood why Gijs would never want to play football in the street with other boys. "When he was 8 years old, he got a book from an uncle with Latin bird's names. After a short time, he knew them all by heart, even the names of birds he had never seen in his whole life. This interest, perhaps more academic than resulting from a real involvement with the subject, later on extended to insects, all of which he also got to know intimately. When I was stung by a wasp, Gijs could tell me that it was an ichneumon. Things like that. In school, in the secondary school, he definitely was shy. Not inexplicable against the background of his protected upbringing and the lack of social activities in the war years. Later on, at the university, he quite deliberately plunged into student life, being aware that this was also part of his formation."

Together with his sister and his mother, Gijs van Aardenne has for years had a holiday home in Zeeland. Gijs keeps the books. Micha: "He has set up a whole system for cost apportionment: Grown-ups pay so much, children up to 4 years old are free, above that age they count for half, friends of the children who come along count for so much, but when there are three or more, a discount is given. Quite a system. Thrift? I do not know if that is it. I rather believe that it is a sense of justice: he who benefits by it, also has to pay pro rata. Which does not take away the fact that he is thrifty, though. When, finally, the gas furnace, which they had had from the time they married, had to be replaced by a new one, they talked about it for 3 years."

Theo Brans, an engineer, leader of the fraction of the People's Party for Freedom and Democracy and, in his daily life, director of the Holland Dredging Company, has seen Gijs van Aardenne join the municipal council of Dordrecht in 1964 and leave it in 1977. Theo Brans' observations: "Gijs quite deliberately chose a political career when he saw that he did not get anywhere in the family enterprise of Penn & Bauduin. Far too many members of the van Aardenne family were running around there, and Gijs was the youngest of the lot. He could not implement his progressive ideas, so he went into politics, hoping to have better success there. We, the other members of the fraction, have given him every possibility for this. Because he was a capable fellow. To begin with, he would always turn up in a blue suit with a vest, and while we were talking, he would cough in a certain dry manner. I have pointed that out to him: 'You talk like a ruler, you have got to get out of that habit!' But, by nature, he is a ruler, be it a modern one. He also has an ear for the less endowed in our society, and he also wants to exert himself for these people, but, on the emotional level, he is not able to bring this to expression. We, his fellow fraction members

in the municipal council have seldom been invited to his home. He is not cut out for festivities and parties. He never has a drink too many, he never indulges. If you tell a joke, he will laugh heartily, but he will never tell a joke himself, that is not like him. Anecdotes about him? With the best will in the world, I cannot think of any. Van Aardenne is beyond reproach, literally beyond reproach."

This statement was made by Theo Brans, engineer, who mentioned Gijs van Aardenne's predilection for a work environment of literally 1 meter high piles of reports and papers in his office as the only exception. "Obviously, in order always to be able to look something up, but that moment never comes, for that man has got an amazing memory."

Clearly, nothing has changed over the years, for, on the desk of the minister of economic affairs, one now also sees two piles of reports in plastic covers, each pile being about 1 meter high, while, behind his back, against the wall, there are another three piles of the same kind.

Van Aardenne gets on well with the civil servants in his ministry. After the departure of Ruud Lubbers, an economist and a former contractor in the metal industry, he has brought quite a good deal of calm and continuity to the ministry. It is not proper for public servants to compare government members with one another, but, under the anonymity of the umbrella, a number of employees of the Ministry of Economic Affairs give expression to this value judgment:

"With Lubbers, you never knew where you stood. You would be busy performing a task, and, after a couple of hours, you would get a phone call saying that everything had to be changed after all. The minister then had had another brain wave, or he had had a talk with somebody who had given him other ideas. Lubbers, moreover, was always there. If he did not sit for 24 hours a day in the ministry, he would still be working at home or somewhere else on matters of the ministry. Van Aardenne is completely different. Also a hard worker, also a smart head--well, a dull person would never become a minister of economic affairs anyway--but much more constant. Once he has developed a line, he will stick to it. His own work discipline is greater as well. If, on a Sunday, he wants to go into the countryside with his family, he will simply report this, in order that he will not be disturbed."

Another difference: Lubbers made his own speeches. For the most part, he would not need more than a couple of short notes for this, his speeches were impromptu. This is not the case with Gijs van Aardenne. He has his speeches written for him from the first to the last letter. He will change the text somewhat--even while speaking--but it remains, primarily, the work of a coworker. "But," they say at the Ministry of Economic Affairs, "van Aardenne, moreover, is terribly busy. The frequency at which he has to appear in Parliament is much higher than in the case of Lubbers. There are weeks in which he will be sitting in the Second Chamber for 3 days."

It would be nonsense to claim that Gijs van Aardenne appeared like a comet on the liberal firmament. He simply has had to work hard for it,

first in the municipal council of Dordrecht from 1964 to 1977, 2 years of which as an alderman, and then in the Second Chamber, which he joined in 1971, 7 weeks before the elections. He made this entry as number 24 on the list of candidates of 1967, but the shift of a number of members of the De Jong cabinet to positions outside of Parliament--such as Toxopeus, the Queen's provincial governor of Groningen--put him on the seventeenth seat in the Second Chamber. With that number, van Aardenne entered the elections for the People's Party for Freedom and Democracy 2 months later, but the Liberals were not able to muster a sufficient number of voters for van Aardenne to resume the seat he had hardly warmed up in the Second Chamber. At the time, fraction leader Molly Geert expressed the comforting words: "Do keep coming to the fraction meetings because you will soon be in there again."

Apparently, Geertema had prophet's eyes, for this did happen. With the cooperation of the Liberals, the Biesheuvel cabinet was formed, and, as a consequence of this, there were changes in the seats of the People's Party for Freedom and Democracy. And, all of a sudden, Gijs was in again. Unfortunately, the Biesheuvel people turned out not to have the ability to persevere which one then expected of that elite group: the Democratic Socialist Party, in a nightly meeting in Parliament, blew up the whole thing at an early point, and there Gijs stood again, blinking behind his glasses against the dawn of new elections. With an handicap that he had hardly been discovered by the voters as the socio-economic spokesman of the government fraction. But certainly by the insiders who had a high regard for his talents, but not by the ordinary electorate of the People's Party for Freedom and Democracy. On the election list for the nominations of national candidates, he got the eighteenth place, the leadership of the People's Party for Freedom and Democracy made it the fifteenth, but that was not a very successful move. The polling districts which, in those years, became increasingly important, made it number twenty-one. Inwardly, Gijs waved goodbye to the political capital, for number twenty-one on the list was a seat that could not be obtained at all. But the wonders of the world were not past, for, via an unexpected big election victory for the Liberals, Gijs again participated in the opening of the new parliament. And he enounced himself to stay and became famous for his counter-budget proposals to Den Uyl and company's limitless spending policy.

Pol de Beer, a fellow fraction member at the time, remembers: "The sessions on such counter-budget proposals lasted mostly a whole day, and he would then act in a very tough manner: 'You always shout on your lecture tours around the country that taxes must not rise any further, and that one must cut down on expenses? Okay. Then you also must make this happen here. So much to C&M, so much to Transport and Waterways, so much to Education.' And then there was a really hard struggle in the fraction, in which Gijs acted as minister of finance and the different fraction experts acted as the ministers involved. But Gijs knew his job, he had prepared it well and usually got the result he wanted."

And so, already making counter-budget proposals, Gijs van Aardenne worked his way ahead in the opposition against the Den Uyl-Van Agt cabinet. "Remove the rubble and reconstruct" was the title which was given to his counter-budget proposal in June of 1976. What has come of the removal of rubble and the reconstruction?

"He tries in concrete situations of enterprises to commercialize each problem, to remove its emotional and ideological aspects. I do agree on that. But what I miss is the cadre. His vision on the task of an enterprise. Such as: what do we in the Netherlands now want with the new ship construction. He does say: 'I do not want to be director of the Netherlands Incorporated,' but, so far, he is just that. Perforce. Reluctantly. And that you find again in his policy. As, for instance, when he got out of hand accepted what the board of directors of Rijn-Schelde-Verolme sketched for him. That was a bad mistake on his part." Words expressed by Arie van der Hek, an economic specialist of the Labor Party fraction, when 18 months ago we talked with him about Van Aardenne.

Let us not overuse the word 'eternal value,' but Van der Hek's words seem to have long-term relevance. The Socialist parliamentarian now says: "What has now been happening with the ROS (Rotterdam Offshore and Ship Building Company) is living proof of my stand at the time. Van Aardenne gets lost in details. If, 2 years ago, when the VSDM-RND case started, he had developed a vision of Dutch offshore activities, the ROS debacle had not been necessary. We would then have been able to take stock of what we had in that area and what we still missed, so that we would have been able to fill in in time. Now our big know-how in the offshore area, together with the big new ship building activity, seem to be washing away completely. Of course, I understand the financial situation of the government, but I cannot help thinking that a too short-sighted policy is being pursued in this area."

The above statement was made by Arie van der Hek, who, for the rest, has respect for Van Aardenne: "When a decision has to be made, it happens. He is prepared to solve problems. In the case of his predecessor Lubbers, you always had to compromise in endless discussions. And this with results which never were optimal. Gijs van Aardenne, on the other hand, makes decisions himself. They are not always successful, but, on this, you can, of course, have different political views. In addition, he is a nice fellow. Straight. A big wooden, but that you have got to ignore."

The above statement was made by Van der Hek, Labor Party member of the Second Chamber, who, in his evaluation of the person, however, keeps stumbling over 'the lack of vision, of management cadre.' To which Van Aardenne's fellow party member Forthoef says with a shrug: "That is because the Socialists refuse to recognize that the Liberal vision is also a vision."

At home in Dordrecht, in a splendid, untidy patrician house with a view of ships passing by on the Old Maas River, Mrs. Van Aardenne says: "By nature, he is shy. He finds it difficult to pay somebody a compliment, he is afraid that he will then be saying the wrong words. But, in politics, he is

completely at home, here he feels like a fish in water. And out in nature, he feels best, then he takes his big binoculars with him to watch animals and plants, he knows all their latin names. But, lately, this has not been happening very often, for he has got little time for such things. When at home, he goes to bed late and takes his papers with him. Sometimes, I wake up in the middle of the night from the rustling of papers, he is then still lying reading."

Actually, little has changed for Gijb van Aardenne in the last 50 years. The 'rabbit countries' from then have changed to the industrial countries of the present, that is all, and in bed he devises the rules of the game.

The Minister and his ROS

The Easter egg which Minister Van Aardenne on his way out put on the threshold of the Binnenhof, could not have been painted more somberly: 1700 jobs gone and a cover over the big new ship construction and offshore building activities in the Netherlands.

Still before the animal had been well harnessed, the minister of economic affairs sent his ROS to the slaughter house. Taken out of action because of a lack of financial means.

The story begins the moment when, in early 1977, the Rhine-Schelde-Verolme (RSV) concern knocked on the door of the minister of economic affairs, reporting that the support earlier given by the authorities had been exhausted and that another half billion guilder was needed to keep the enterprise in operation with approximately 30,000 men. Van Aardenne does not feel inclined to give this languishing patient an endless blood transfusion and decides on more structural means of intervention. He takes this known in a letter of 28 June 1979. The RSV concern will have to give up its losing activities (the big new ship construction and offshore activities) and, subsequently, in cooperation with the government, new forms of management can be found. The ROS.

This intervention, whereby the necessary wild growth is directly cut off, results in a loss of 600 jobs. Acceptable to all concerned if this at least leads to the preservation of the other 1,700 jobs.

According to the trade unions (and the RSV top management), this can be done if the Ministry of Economic Affairs provides another 400 million guilder to cover the losses until 1983. After that, the ROS will have to manage on its own. Van Aardenne, however, does not arrive at more than 250 million: 180 million (with retroactive effect till early 1979) for the period 1979-1980 and then another 70 million for 1981 and 1982. And so it happens. But when the parties break up, everybody is actually dissatisfied. Trying to catch a big fish with a line which is only suitable for catching small fish.

In the meantime, RSV keeps its control of RGS until a new management (directors) has been found. That takes until the end of the year. But when the gentlemen, under the leadership of G. van der Want, an engineer (future director) and J. Nagtegaal, an attorney (future president), start playing somewhat with the figures, they become frightened. For out of the 250 million guilder given to RGS at its birth, only 115 million guilder remain. The rest has already been spent on losses, suffered in the course of 1 year under RSV management. Reaction of the future RGS management: We are still prepared to fight, but the remaining 115 million guilder will have to be supplemented by 100 million out of subsidy funds. To which Van Aardenne answers: Nice idea, but I would not know where to find that kind of money. The gentlemen are thanked, RSV can keep the remaining 115 million guilder for RGS, will get another 25 million guilder on top of it, and will then have to liquidate the concern with that money.

Cover, spotlights out, RGS out through a side door, and the public leaves the hall. The Netherlands has priced itself out of the market for big ship construction, will never be able to compete on low wages with countries such as Korea, India, Taiwan, Poland, and Brazil, and, in the maelstrom, is also dismantling its know-how in the offshore area.

Or not? Parliament, at least, has not come to that yet. And, also in RSV-RGS circles, this type of intervention is regarded as being too rigorous. Finally, RGS, in its brief life, has already obtained a couple of big orders.

And more is still coming. Perhaps a couple of big bulk carriers. Agreed, until now all of the projects have been giving losses, but the picture is the same in all traditional shipbuilding countries.

And workers under the unemployment compensation act also cost money. Thus, if the minister can still give about 1 million guilder or so? Gijs van Aardenne is quite willing to think it over. But he has learnt from home that you have first got to earn the cents before you can spend them.

To him, the bottom of the pot has, indeed, been reached.

7262

CSO: 3105

CHINA TO GIVE KLM SYMPATHETIC HEARING

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 12 May 80 p 2

[Text] The Hague, May 12--China will give positive consideration to a request by KLM, Royal Dutch Airlines, for permission to open a regular service between Amsterdam and Peking in 1981, the Transport Ministry announced here yesterday.

The announcement came as a Dutch delegation, headed by Transport State Secretary Neelie Smit, was winding up an 11-day visit to China.

A bilateral aviation agreement concluded last year prompted the Netherlands to seek permission for its national airline to open the new route in 1981.

The Chinese side told the Dutch delegation that positive consideration will be given to this request, the Ministry said.

Representatives of KLM and the Chinese airline company CAAC would meet in the autumn at the latest for further talks at a technical level, it added.

Telecommunications

The Ministry further announced that the Netherlands and China would get a direct telecommunication link through the modern telecommunication satellite Intelsat V, by July 1, 1981, at the latest.

Communications between the two countries now still run via Paris and Intelsat IV-A.

The Ministry said the State Secretary had also discussed the opportunities there were for Dutch trade and industry in the new plans being prepared by the Chinese to improve their ports.

It said that in talks with China's Deputy Communications Minister the delegation had learned that contrary to earlier plans the emphasis was now being placed on improving the infrastructure and equipment of existing ports.

There were said to be opportunities for Dutch trade and industry in this set-up as well.

During a reception on Saturday afternoon given by Deputy Premier Gu Mu it was emphasised whilst discussing the results of the visit, that China sets great store by and expansion and deepening of cooperation with the Netherlands.

Good Basis

The friendly bilateral relations were mentioned in this context as a good basis for such cooperation the Ministry added.

It was further announced that Philips Telecommunication Industry had presented 10 scholarships to train Chinese post office officials at its special training center in Hilversum.

During a visit which a Philips delegation will pay to China next autumn, it would be finally decided what form cooperation between the Chinese Postal and Telecommunication Ministry and Philips would take.

It was further announced that the Chinese and Dutch postal administrations would introduce an express mail service before the end of this year. This would considerably speed up transmissions, the Ministry added.

CSO: 3120

PCP CENTRAL COMMITTEE REVIEWS CURRENT POLITICAL SITUATION

Lisbon AVANTE! in Portuguese 8 May 80 pp 2-16

[Document of the Plenary Session of the Central Committee of the Portuguese Communist Party held on 3 May 1980: "The PCP With the People in the Defense of the April Portugal--The International Situation, the Foreign Policy of the Government and International Activity"]

[Text] On 3 May, a plenary meeting of the Central Committee of the Portuguese Communist Party was held.

The Central Committee examined the situation resulting from the subversive operations designed to liquidate the democratic regime on the basis of the unconstitutional and illegal activities of the Sa Carneiro-Freitas do Amaral government with the temporary AD [Democratic Alliance] majority in the Assembly of the Republic.

Stressing the real dangers of this situation, the CC [Central Committee] evaluated the impetuous and powerful rise of the workers' and people's struggle and the first rebuff by the reactionary government, and it concluded that the Portuguese people are in a position to block the path of the reactionaries, to defend the April conquests, to bring about the resignation of the government, to defeat the reactionary parties in the next elections, to guarantee a democratic swing in Portuguese politics and thus to ensure the defense and continuity of the democratic regime endorsed by the constitution.

The CC examined the major tasks of the present moment, and established general guidelines pertaining to the elections, the armed forces and the constitutional review.

The CC stressed the need for subsequent development of the struggle and placed emphasis on the flow of mass action.

The CC stressed the need and urgency of unity among the democrats and patriots and voiced the readiness of the PCP [Portuguese Communist Party]

to study, jointly with other democratic forces, specifically the PS [Socialist Party], the possibility of understanding and joint or converging action.

Stressing the necessary, indispensable and irreplaceable role of the PCP in the Portuguese democracy, the CC set forth the major undertakings of the PCP for the coming period and expressed its confidence that the reactionaries will be defeated and that the democratic regime will triumph.

1. The Subversive Campaign of the AD Continues

1. Proceeding with an examination of the actions of the Sa Carneiro-Freitas do Amaral government and the temporary and precarious AD majority in the Assembly of the Republic, the CC confirmed that the PPD [Popular Democratic Party], the CDS [Social Democratic Center Party] and the reactionary forces allied with them are pursuing a subversive campaign against the democratic regime which has escalated in successive operations (destruction through government action of the main conquests of the revolution, new electoral law, referendum, unconstitutional review of the constitution), which would represent, if carried through, a real coup d'etat.

2. The government and the fragile AD minority in the Assembly of the Republic have plunged arrogantly into a policy which with each act and each decision violates the constitution, the legal system, and the most basic principles and norms of democratic life. It attacks all the conquests of the Portuguese people and all the democratic changes achieved. The policy of the government is not designed to resolve any problem facing the people or the country. It is designed solely to reestablish the rampant capitalist exploitation of the fascist days, to reverse the nationalizations, to destroy agrarian reforms, to limit and constrain the freedoms and rights of the citizens, in brief, to destroy the regime and establish a new dictatorship.

3. In its campaign to reestablish the unchecked exploitation of the days of fascism and to push the main burden of the crisis its own policy has provoked onto the shoulders of the workers, the Sa Carneiro government froze collective contracts already negotiated, still further depleted the "market basket," increased the prices of basic goods (bread, sugar, olive oil, meat, fish, eggs, fuels), declared enterprises "in an economically difficult situation" in order to limit the legitimate rights of the workers, sponsored and endorsed arbitrary actions and dismissals by the employers, and is revising work schedules and generalizing "term contracts."

By manipulating figures and promises, the government has made the general state budget into a mechanism for its policy of capitalist reestablishment and intensification of exploitation of the workers and all the non-monopolistic strata of the population. Its implementation will lead to a more unjust distribution of the national income available such as to favor capitalist accumulation. The new policy announced and the reduction in

some taxes are but a clumsy demagogic maneuver, since those who will gain most by these reductions will be the social strata with the highest income. The budget deficit will be greater than ever and the deficit in the balance of current transactions may rise to more than \$1 billion.

4. In its campaign against nationalizations the government is not only making the economic and financial housecleaning of public enterprises more difficult but also directly attacking the nationalized sector. It is insisting on trying to impose unconstitutional laws designed to open up for private capital nationalized sectors such as banking, insurance, cement and transportation, and revoking the 77-78 law establishing conditions for the alienation of the assets of public enterprises and state stocks.

5. In its campaign against agrarian reform, the government is multiplying openly illegal, arbitrary and brutal actions, not even respecting the limitations of the villainous Barreto law, and undertaking a process of bold robbery of land, livestock and machinery, true pillaging of assets and resources, systematically making use of repression, beating and brutality, with a view to the total destruction of agrarian reform and the reestablishment of large land holdings.

The CC calls attention to the massive demagogic maneuvering of the government now in progress, in an effort to have the delivery of 300,000 hectares to the farmers forgotten and to conceal the reestablishment of the large land holdings and the power of the estate owners through the delivery of dubious titles to land stolen from the UCPs [Collective Productive Units]-cooperatives to some small farmers and nirelings.

6. In its campaign against the freedoms and rights of the citizens, the Sa Carneiro government is taking mass communications by storm, placing PPD and CDS people on the executive boards of the RTP [Portuguese Radio-Television System], RDP [Portuguese Radio Network], ANOP [Portuguese News Agency], EPNC [Public Enterprises for the Newspapers NOTICIAS and CAPITAL], and EP [Public Enterprise] for DIARIO POPULAR, has decreed that the RDP and the EPNC are "enterprises in a difficult economic situation," is encouraging prior censorship methods and protecting the refusal of the RTP to guarantee air time, excluding the workers from the management of welfare, refusing to carry out the workers' commissions law, preventing the managers elected by the workers from assuming their posts, while announcing the review of labor legislation, specifically the strike and trade union association laws, and using the repressive forces of the GNR [Republican National Guard] and the PSP [Public Security Police] increasingly.

7. The CC stresses that the unconstitutional actions of the government are not concerned solely with domestic policy but with foreign policy as well.

In violation of constitutional principles, the government is adhering in servile fashion to the policy of the most aggressive circles of imperialism and NATO, pursuing a ferociously anti-Soviet policy, threatening the

relations of friendship and cooperation with the new African states, seeking to precipitate integration in the Common Market under conditions which are catastrophic for the Portuguese economy and a threat to national independence.

8. Parallel to the brutal campaign against the April conquests, against the democratic regime, and against the constitution, the PPD-CDS government has launched a shameful demagogic campaign in which it claims for itself the achievements and measures of earlier governments, postponing deceitful promises, making minor concessions of a dubious nature, favoring groups of its henchmen which it represents as social strata, and excessively increasing prices in order, when time has passed, to boast of minor reduction.

The CC warns the Portuguese people against the demagogic campaign of the Sa Carneiro government and stresses the need to combat it promptly through information and enlightenment.

9. The existence of a democratic regime with a government which openly announces its plans to destroy it constitutes an anomalous situation which must be promptly corrected.

The CC stresses that the utilization of all constitutional means is necessary in order to block the path of the offensive plans of the reactionaries in order to put an end to this situation soon, to force the reactionary parties out of power, and finally, to impose a democratic direction on Portuguese politics.

2. The Force of the Workers' and People's Movement

1. Popular resistance to the reactionary campaign of the Sa Carneiro-Freitas do Amaral government is achieving unprecedented breadth and unity.

The CC salutes the workers' class and the people's masses, salutes all the Portuguese men and women who through their firm determination and their struggle are providing a proper and potent response to the unconstitutional, illegal and subversive actions of the reactionary government.

The struggles of the masses, pursued rigorously within the framework of democratic legality, constitute the main barrier to the advance and the plans of these reactionaries. Their development will in the end impose a democratic direction on Portuguese politics.

2. The CC has analyzed the struggles of the masses and concludes that a new and impetuous current of popular action is in motion.

Hundreds of thousands of Portuguese citizens, in demonstrations and gatherings, are demanding an end to the reactionary campaign and a change of policy. The slogan "Sa Carneiro into the streets!" which has been shouted at the great mass demonstrations held in dozens of localities (the

19 April demonstrations alone, with particular mention merited by the grandiose gatherings in Lisbon and Oporto, took place in 21 localities) reflect the desires of the people's masses for democratic change. The struggle against rising living costs has become one of the main guidelines in the struggle of the people's masses, and of the women in particular, who are playing a very active role.

About a million and a half workers (of whom 1,100,000 had to have recourse to the strike) are struggling for the right to bargain, for the improvement of real wages.

The CC stresses that it was the refusal of the government and the employers to satisfy the legitimate demands of the workers which led to the strikes by the workers in the chemical, metallurgical and bakery sectors, in the CP [Portuguese Railroad Company], RN [National Busline], RDP, Portucel, the CTT [General Administration of Post Offices, Telegraphs, and Telephones], the Civil Service, Petrolgal and many other enterprises, covering various economic sectors.

The intensification of repression by the owners on the enterprise level, mainly affecting the trade union activists and the workers' commissions, is provoking increasing conflict. In only the first 3 months the present government was in office, there were conflicts at about 500 enterprises, representing about 40 percent of all the struggles pursued on the enterprise level during the year 1979.

Retired persons and pensioners are struggling for the adjustment of their retirement pensions. Workers in the news media are battling against the classification of enterprises in the sector as "in crisis," against the purges and the censorship and for the right to democratic media.

3. In the people's struggle against the illegal and criminal actions of the reactionary government, the heroic resistance of the agrarian reform farm workers takes on front-line importance.

The agrarian reform workers are functioning within the framework of the constitution, of democratic legality, of the freedoms and rights endorsed by the constitution.

The mass opposition to the unconstitutional, illegal and arbitrary actions of the government, the meetings, demonstrations, walk-outs and sit-down strikes, the campaigns to care for the crops and harvests on land illegally taken from the UCPs-Cooperatives and illegally turned over to farmers, the legitimate efforts to recover stolen machinery and livestock represent a powerful movement of popular resistance without which agrarian reform would long since have been destroyed.

The CC of the PCP warmly hails the agrarian reform workers, certain that through their heroic struggle, which is continuing, agrarian reform will win out.

4. The CC has evaluated the activities reflecting the active solidarity of the workers' class and the people's masses with agrarian reform.

The great campaign pursued on 25, 26 and 27 March in the northern and southern parts of the country reveals the tremendous vitality, determination and confidence of the workers' and people's movement.

The CC of the PCP warmly hails the hundreds of thousands of workers and democrats who, in 422 work stoppages, 747 plenary sessions and meetings, and 70 demonstrations and rallies have expressed their most categorical rejection of the government policy and their determination, through an impressive campaign of struggle, to defend the democratic system, to defend agrarian reform.

5. The struggle of the masses became vital for the defense of the April conquests, freedoms and the regime. In the past 90 days, i.e. since the government launched its campaign against the workers by freezing 40 collective bargaining contracts, hardly a single day has passed during which the workers have not had to have recourse to strikes and other forms of struggle to safeguard their interests.

6. The impetuous rise and the diversity of the struggles of the workers currently represent a qualitative advance in the trade union and workers' movement, and reflect their high political and class awareness. The strikes, representing a basic tool of struggle, are increasing in number and becoming longer, covering a number of sectors simultaneously, winning a high level of support (100 percent in the CP, 97 percent in the RN, 98 percent for the Peniche fishermen and 100 percent in those in the Algarve, and 70 percent in the RDP) and being combined with other forms of action (rallies, demonstrations, petitions, pressure on state bodies, etc). The street demonstrations have taken on great breadth, being the extension of the struggles waged in the factories, in the rural sector and in the offices. The metallurgical workers' strike was accompanied by 12 street demonstrations. The workers in the mass media, the civil service, Petrogal, the banking system and others have pursued the same path.

7. The popular struggle of the masses is developing in practically all social sectors. The movements of women and young people are developing, along with the movement of small and average farmers, the movements of intellectuals and technical cadres, the movements of small and average businessmen and industrialists, the movements of pensioners and the disabled, and other major mass movements.

The very vast and impetuous actions of the workers and the people in recent months have culminated in the present phase in the generalized popular support of the ceremonies to commemorate the 25 April events and the grandiose 1 May campaign, in which more than a million Portuguese citizens participated in demonstrations and rallies in more than 70 localities, with particular stress merited by the powerful parades and rallies in Lisbon and Oporto, involving many hundreds of thousands of participants.

The workers' class and the working masses in general have demonstrated in action that the forces of democracy are in a position to block the path of the reactionaries, to defend the April conquests, and to guarantee the continuation of the Portuguese democratic regime.

3. First Rebuffs by the PPD-CDS Government

1. The resistance to the policy and the activities of the PPD-CDS government and the functioning of the institutions is beginning to hinder the subversive operations of the reactionary forces in practice.

2. The CC notes that the adamant and forceful struggle of the workers' class and all the workers has forced the Sa Carneiro government to retreat in a number of cases.

The government blocked 40 collective labor bargains and agreements. But the potent response of the masses forced the government to retreat and finally to agree to their registry, although 2 of these have not yet been published (PAP [Portuguese Airlines] and EPAL [Public Water Enterprise of Lisbon]).

The government has announced an increase in transportation fares. But, because of the forceful action of the masses, it has not yet implemented the increases.

The government classified the SOREFAME as "in a difficult economic situation." But the struggle of the workers forced the government to alter this classification.

The government declared the National Highways to be in a "difficult economic situation." But the forceful struggle of the masses forced it to admit a "technical error," to implement retroactive payment of the new wage scale, to reopen negotiations on permanent conditions it had declared ended, and to retreat on the subject of labor schedules.

The government announced emergency measures for the transportation enterprises (CP, CTM, TAP), but in view of the struggle of the masses, it has not yet implemented them, and where the railroad workers are concerned, it was forced to accept a file of claims from the trade union federation.

The government undertook to replace the editorial officials of the DIARIO POPULAR, but faced with the opposition of the journalists, it has not yet succeeded in imposing them.

In many other cases (the Peniche fishermen, Petrogal, etc) the government has been placed in a defensive position, and is making the first, although slight, retreats.

An indication of the retreats into which the government has been forced is the fact that more than 25 strikes have been called off by the workers, because their demands were met in the meantime.

3. In the agrarian reform sector, the brutal and criminal campaign continues. But the workers, with their heroic struggle, have hindered the offensive, have recovered assets stolen from them, have harvested the products they planted, have cared for the fields in illegal preserves and have cultivated their crops.

It is also significant that the courts have repeatedly ruled in favor of the workers and against the illegal and arbitrary decisions of the PPD-CDS government, declaring certain rulings void or ordering suspension of their execution.

4. The normal functioning of the democratic institutions has also led to the first rejections of the PPD-CDS government in the legislative sector.

The fact that two times in succession the Constitutional Commission and the Council of the Revolution declared the government laws seeking to open up banking, insurance and other major sectors to private capital were unconstitutional represents a serious blow to the subversive plans of the AD, and provides proof that the democratic institutions, functioning in regular fashion, are in a position to defend the system.

5. The rejection by the majority of the opposition in the Assembly of the Republic of the government proposal to amend the census law, the approval of the suspension of the work of the plenary session during the strike of the civil service workers, are among the reverses with which the government has met on the parliamentary level, making it evident how small the reactionary alliance majority in the assembly is.

The defeat of the government proposal to amend the census law is of great political importance, because it represents the failure of the first legislative effort in the proposed electoral masquerade which the government has mounted. In attempting to take it to the Assembly of the Republic again, with a draft law on the reactionary alliance parties, they and the Sa Carneiro government embarked once again on the path of flagrant unconstitutionality.

6. In the Information Councils, the government is seeing the decisions inspired by it challenged, as for example with the refusal to guarantee air time in the RTP, the censorship and repressive measures against professional workers in the state controlled mass communications bodies.

4. Three Main Tasks in the Current Situation

1. The basic subjective and objective conditions for the defeat of the plans of the reactionaries and for guaranteeing the continuation of the April Portugal exist.

2. The CC stresses that, in the present situation, the workers and all democrats and patriots are faced with three main tasks:

1. Adamantly resisting, mainly through the mass struggle and through political action in the most widely varied forms, the unconstitutional and illegal campaign of the AD government against the rights of the workers, agrarian reform, the nationalizations and the other April conquests.

2. Guaranteeing the functioning of the democratic institutions, demanding adherence to the constitution, blocking unconstitutional laws, decisions and rulings, having recourse to the courts, preventing illegal actions, exercising the rights and freedoms of the citizens, ensuring observance of democratic order, and frustrating any reactionary efforts to cause the paralysis of the institutions such as to prevent destruction of the stability of the regime.

3. Winning a great democratic victory in the coming elections for the Assembly of the Republic, to which end it is necessary to orient political work, the activities of education and propaganda, and the organizational efforts beginning now, with this end in view and with dynamism and confidence.

These three great tasks are supplementary and inseparable. No one of them can be considered in isolation. Specifically, an electoral victory by the democratic forces depends on success in the adamant resistance of the masses and the struggle to guarantee the functioning of our institutions.

5. Resignation of the Sa Carneiro Government

1. The struggles of the masses and the most widely varied forms of resistance and political action, the defense of the functioning of the institutions and a democratic triumph in the coming elections are tasks which, if carried through, will mean the end of the Sa Carneiro government and the AD majority in the Assembly of the Republic.

But since it is a question of a government outside the law, which is subversive and prone to coups, its survival up to this point would represent a real curse to the nation and a constant threat to democracy.

2. Examining the political situation created by the actions of the Sa Carneiro government, the CC has concluded that its urgent replacement is a democratic and patriotic imperative.

First: the removal of the Sa Carneiro government is urgent because the government is already destroying the democratic regime, because it has reached the limits of defiance in its attack on legality and the institutions, because it is visibly violating the constitution and the laws, because it arrogantly insists on rejecting the declaration by the Constitutional Commission and the Council of the Revolution to the effect that the law defining the public and private sectors is unconstitutional, because it does not respect the decisions of the courts, because it makes arbitrary and illegal decisions to destroy the April conquests, because it openly announces its plans to liquidate the democratic regime.

Second: the removal of the Sa Carneiro government is urgent because the longer it pursues its policy of economic ruin and destruction of the April conquests, the more serious the living conditions for the people will become and the greater the losses to be borne by the workers and the other laboring strata will be.

Third: the removal of the Sa Carneiro government is urgent because the government is not guaranteeing the holding of democratic elections, but is rather trying to convert them into an electoral sham, through a new and undemocratic electoral law, increasing recourse to repression, monopolization of the mass communications media utilized by the government parties to provide misinformation and poison public opinion. The existence of the Sa Carneiro government in the period of the elections would threaten the democratic nature of those elections.

3. The resignation of Sa Carneiro is urgently needed for the defense of the democratic system and to guarantee the holding of democratic elections for the Assembly of the Republic.

6. Elections for the Assembly of the Republic

1. The CC has examined the problems pertaining to the elections for the Assembly of the Republic which are to be held in September or October of this year.

The CC believes that the elections are of determining importance for our national life in the coming years.

It is the duty of all the democratic forces to do everything possible to guarantee the defeat of the reactionaries and the triumph of democracy in the elections for the Assembly of the Republic.

The reactionary forces have a real fear of the elections. They know that many who voted for the AD are now disillusioned with the Sá Carneiro-Freitas do Amaral government. They know that in holding free elections, they will not succeed in winning a majority in the Assembly of the Republic again. For this reason they are trying to prevent the holding of democratic elections, preparing for and organizing a real electoral masquerade.

3. The new electoral law which the reactionary alliance is seeking to impose would convert the elections into a giant fraud, since with that law the reactionary parties, even if they lose hundreds of thousands of votes (as is to be expected), would have a great likelihood of retaining a majority in the Assembly of the Republic.

By violating the principles of proportionality and the personal nature of the vote, by reducing the number of deputies to be elected in the national territory (concretely, they would reduce the APU and PS deputies), by increasing the number of electoral districts, by increasing the number of deputies to be elected by emigrants, giving votes to foreigners, organizing a monstrous falsification of ballots from abroad without any supervision, by establishing a reactionary monopoly over the television, radio and other state-controlled mass communications media, the reactionary alliance is trying to ensure Portugal's return to the "electoral" practices of the fascist dictatorship, taking a decisive step toward the liquidation of the democratic regime.

4. The PCP will wage a tireless battle to maintain the current electoral legislation and to ensure the holding of free elections.

Bearing in mind the methods used by the reactionary forces in the December 1979 elections (manipulation of public opinion, physical, economic, moral and religious coercion), the CC warns against the repetition of these methods, appeals for strengthened supervision of the electoral process and for struggle so as to ensure democratic conditions for the coming elections.

5. Winning the coming elections is an imperative of primary and capital importance for the democratic forces and for the PCP.

The CC sets forth, as of the present, two main goals for the democratic forces in the coming elections for the Assembly of the Republic.

1. To reduce the reactionary parties again to a minority in the Assembly of the Republic.

2. To increase the number of PCP and APU deputies together, as an essential factor in defeating the right wing and so that the numerical majority of deputies for the democratic parties will become a true political majority serving as a support in the assembly for the formation of a democratic government.

6. The CC stresses the need for all the democratic forces (and not only the PCP and the MDP [Portuguese Democratic Movement]) to undertake intensive activity now, with energy, dynamism and confidence, to prepare for and make possible the democratic triumph in the coming elections.

The CC views with concern the relative apathy of the PS and condemns its electoral goal as proclaimed by its national commission of "hindering the development of the APU." Insistence on such a policy can only work to the benefit of the reactionaries and make a democratic victory more difficult.

In view of the perils of the present situation and the decisive nature of the coming elections, the CC stresses the need for an understanding among all democrats, specifically the socialists and communists, in order to make the victory of the democratic parties certain.

7. Competition among the leftist groups (specifically those supporting Otelo Saraiva de Carvalho), without a substantial likelihood of electing deputies, can only contribute to the election of some reactionary deputies, as happened in the Castelo Branco, Portalegre, Braga, Viseu and Oporto districts in 1979. The elections in that year (in which the leftist groups won a total of about 200,000 votes throughout the country and elected only 1 deputy) showed that the objective role of the leftist groups is to seek to support the advance of the PCP and the APU and to facilitate the election of AD deputies. Multiple leftist slates will be a divisive factor favoring only the right wing.

The CC appeals to Portuguese men and women to refuse to allow themselves to be deceived by pseudorevolutionary demagogues.

8. The PCP must make preparations for the elections beginning now. The CC has learned that talks are in progress with the MDP with a view to the participation of the APU in the elections for the Assembly of the Republic.

The CC voices its satisfaction with the agreements already reached with the MDP and to be announced shortly by the two parties.

9. The APU is a coalition open to democrats of various factions, specifically the independent democrats, which, as in 1979, should contribute substantially to the lists of candidates.

It is the task of the APU to impose united dynamism on the pre-electoral process.

10. Since an electoral agreement with the MDP will be formalized within a matter of days, the CC reminds the entire party of the need to undertake intensive organizational work immediately in each parish and municipality, establishing APU electoral commissions everywhere, beginning now, open to individuals of any democratic faction.

The immediate tasks of the electoral commissions are:

1. Updating of the census to be carried out in the course of the month of May.
2. Choice and preparation of the APU delegates in the assemblies and voting sections, such as to guarantee proper and effective electoral supervision.

11. Pursuant to the decision of the Plenary Session of the CC held on 25 January, the CC has decided to schedule the national conference of the PCP, which comes within the framework of the party's preparatory work for the elections, for 14 June.

7. Presidential Elections

1. The CC has examined the problems pertaining to the presidential elections which should be held in December.

The CC stresses that, with the holding of elections for the Assembly of the Republic more than 2 months prior to the election of the president of the republic, the former will influence the latter.

The results of the elections for the Assembly of the Republic will inevitably lead to major adjustments in the candidacies and campaigns for the office of president of the republic.

The nomination by the reactionary parties of Gen Soares Carneiro as a candidate for the presidency of the republic has the following goals:

1. To focus attention on the elections for the presidency of the republic and thus to minimize the decisive importance of the legislative elections, in which the AD fears a defeat.
2. To "occupy the terrain" with military candidates, in an effort to make the nomination of other candidates difficult.
3. To launch a new military destabilization process.

The choice for the AD candidate of an individual closely linked with the fascist regime, and one who to date has consistently shown hostility toward the 25 April changes, clearly characterizes the anti-democratic policy and plans of the Sa Carneiro-Freitas do Amaral government.

3. The CC stresses that the great task of the democratic forces is to defeat the AD candidate and elect a president faithful to the constitutional principles.

To achieve this, an agreement among the democratic forces (specifically the PCP and the PS) as to the candidate to be elected is of great importance, in addition to a proper assessment of the sentiments of the armed forces, in order to ensure the election of this candidate.

4. The announcement of the candidacy of Otelo Saraiva de Carvalho, who has no chance of being elected, and the radical and pseudorevolutionary propaganda which goes with it, reveals a divisive import which will only benefit the reactionary candidate or candidates.

5. Believing that the election of the president of the republic is linked with the stability of the democratic regime and the normal functioning of our institutions, the CC deems it necessary to set forth, as of the present, three considerations:

1. The instability of the democratic system, the subversive policy, prone to coups, of the reactionary parties, and the de facto intervention of the armed forces in political life may make it advantageous to elect a military officer ready to fulfill and defend the constitution and the democratic regime as president of the republic, although the election of a civilian is not to be excluded.

2. The president of the republic should be elected to implement the constitution (as is his duty), rather than with a view to constitutional amendments, as the reactionaries want, giving the election the nature of a plebiscite, unconstitutionally.

3. In order to carry out his duties and ensure constitutional stability and democratic alternatives, the president of the republic elected should not be a man in the service of any partisan policy.

6. Although the first great electoral battle to be waged pertains to the elections for the Assembly of the Republic, the CC deems it necessary to proceed speedily with an exchange of opinions with the democratic and patriotic sectors, in order to establish a basis for orientation which will guarantee the defeat of the reactionary candidates and a democratic and constitutionalist triumph in the presidential elections in December.

7. The CC has entrusted the Political Commission with the study of all questions pertaining to the nomination of a candidate sponsored by the PCP.

8. The Armed Forces in the Democratic System

1. Within the framework of the political picture, the present situation and the campaign of subversion and destabilization launched by the government and the temporary reactionary majority in the Assembly of the Republic, the CC has examined the role of the armed forces within the Portuguese democratic system.

2. The CC warns against the maneuvers to destroy stability sponsored by the reactionary government parties and the use of parties and the groups within the armed forces and militarized forces (GNR and Intervention Police) as tools.

The armed forces serve the country and not the government. Unity and stability in the armed forces are a factor of great importance to the functioning of our institutions and normal political life.

3. Confirming the conclusions of the 9th party congress, the CC stresses that the participation of the armed forces in Portuguese political life is a real situation, a de facto situation, and also a legal situation endorsed by the constitution.

The CC stresses that this presence should continue on an institutional basis as a guarantee of the regime and legality, with assurance of the link of the armed forces with the 25 April events and conquests, the democratic regime, fidelity to the constitution, territorial integrity and national independence.

9. The Constitution and Its Amendment

1. The CC stresses the vital importance of the constitution of the republic to the consolidation and continuation of the democratic regime.

The overall and subversive attack by the reactionary forces (specifically the PPD and the CDS) on the democratic regime has as its final goal the destruction of the constitution of the republic. The defense of the democratic regime is inseparable from the defense of the constitution.

2. The Assembly of the Republic to be elected in the coming elections will have constitutional amendment authority. But any amendment will necessarily have to conform with the material limits and norms established by the constitution itself.

Once again the CC recalls that (according to Article 290 of the constitution) any constitutional revision must respect, in addition to other basic characteristics and principles of a democratic regime (which the reactionary forces in the government today are seeking to destroy) the following: a) the citizens' rights, freedoms and guarantees; b) the rights of the workers, the workers' commissions and the trade union associations; c) the principle of collective appropriation of the main means of production and the land, as well as natural resources and the elimination of monopolies and large estate ownership; d) the system of proportional representation; 3) the separation and interdependence of the organs of sovereignty; f) the autonomy of the local autarchies; and g) the political and administrative autonomy of the Azores and Madeira archipelagos.

The CC also recalls that (according to Article 286) any amendment to the constitution must be approved by a two-thirds majority of the deputies.

Only under these terms can a constitutional revision be legal and legitimate.

3. The stated plan of the reactionary alliance to violate the limitations on constitutional amendments, to destroy the constitution and to liquidate the regime is in itself an illegal and subversive plan, a coup.

The intention, also stated by the reactionary parties, to hold a referendum, a form of electoral consultation which is also unconstitutional, completes the picture of the subversive plan.

In order to prevent the consummation of this plan, all forms of opposition and resistance expressed and endorsed by the democratic regime itself are legitimate, just and patriotic.

4. The CC confirms that the PCP favors a constitutional amendment of the constitution, either because of the termination of some temporary measures or because of the need to perfect some provisions which experience has shown were not properly drafted.

In due course, the PCP will submit some proposals in this connection. However, the CC deems it necessary to define certain basic points at this time.

5. Where the organs of power are concerned, the CC of the PCP stands firm by the following principles:

1. Maintenance of the interdependence, balance and complementary nature of the organs of power, within the framework of a mixed system such as we have at present, without any basic changes tending to transform the Portuguese democratic regime into a presidential or parliamentary regime;

2. If the Council of the Revolution ceases to exist (which the PCP does not deem necessary), its basic authority should be transferred to other bodies, either in existence or to be established, such as to allow the legitimate and necessary continuation of the April military forces in the organs of sovereignty; and

3. Strengthening of the authority of the Assembly of the Republic with regard to the government, such as the strengthening of the absolute separation of jurisdictions, dependence on legislative authorization, and the establishment of a hierarchy of legislative actions, with supremacy for the laws of the Assembly of the Republic.

6. The political battle to be waged against the government and the plans of the reactionary alliance is the battle for democracy, the battle for the regime, the battle for the constitution.

Guaranteeing the constitution in effect means guaranteeing the continuity of freedom and democracy in Portugal.

10. Unity and Action by the Popular Masses

1. The CC stresses the decisive importance of a democratic turn in the workers' and people's struggle for the specific and immediate demands of the working masses, in defense of rights and freedoms, in defense of agrarian reform, the nationalizations, workers' control, the democratic regime and national independence, and for the removal of the reactionary PPD-CDS government and a democratic reorientation.

2. The CC proclaims the need and the prospect for the pursuit of and new developments in the struggle of the masses. The workers' class, the most revolutionary, organized and combative class, is at the heart of the struggle against the policy of the government. The increase in living costs will continue to mobilize thousands and thousands of workers, women in particular. The efforts of the employers and the government to freeze collective bargaining in practice, to impose a wage ceiling, to cancel prerogatives won, will have their proper response. The boycott against bargaining and negotiation in various sectors (chemical, civil service and metallurgical workers and the CTT, among others) will continue to mobilize hundreds of thousands of workers.

3. The struggle in defense of agrarian reform will continue adamantly, with legal and legitimate resistance to the violent, illegal and arbitrary measures of the government, a battle to recover the land, machinery, livestock and other assets stolen from the UCPs-Cooperatives as soon as possible, and with the continuation of productive work despite the criminal campaign of the government, and the unmasking of the illegal and demagogic maneuvers of the Sa Carneiro government, seeking to conceal the restitution of the large estates by means of "contracts for exclusive use of the land," giving dubious titles to land stolen from the UCPs-Cooperatives to some small farmers and hirelings, in order to give it to the large estate owners later.

The CC stresses that the defense of agrarian reform continues to be one of the main fronts in the struggle for the defense of the democratic system. The movement of solidarity with agrarian reform must be maintained and strengthened.

4. Class organizations are taking on capital importance in the advance of the people's struggle.

The CGTP-IN [General Federation of Portuguese Workers-National Intersindical], a great bulwark of the workers' class and of all the Portuguese workers, plays a determining role in the resistance of the workers to the offenses of the Sa Carneiro-Freitas do Amaral government.

Its influence, as the success of its third congress proves, continues to strengthen while the divisive forces are ever more discredited.

It is fundamental to unite the trade union movement still further in support of the CGTP-IN, to expand its field of influence to new sectors, and to improve trade union organization, in particular on the enterprise level.

The small and average farmers' movement is becoming diversified and expanding its influence to new regions, taking on national dimensions. The holding of the second agricultural gathering--general assembly of the CNA reflected the strengthening of unity and cohesion in the peasant movement.

On the question of the eviction of tenant farmers, the maximum income schedules, the price of gasoline, the marketing and official prices for wine, the difficulties in obtaining fertilizers and the threats to fallow land, the peasants have pursued their struggle in various forms, involving thousands and thousands of farmers in the northern and southern parts of the country.

The women's movement, in its various forms, has developed enthusiastically. Intensive participation in the struggles for trade union and political demands, in the battle against unemployment, against rising prices, against the repressive and subversive policy of the Sa Carneiro-Freitas do Amaral government, show the vitality of this important sector of the people's struggle. The holding of the first congress of the MDM [Women's Democratic Movement] in April, the vast work of preparation for it and its conclusion, constitute an important event and contribution to the defense of the rights of women and to the dynamizing of their action.

The youth movement has developed in increasing participation in the major mass activities in defense of the democratic regime and agrarian reform, in the revitalization of the student struggle, the struggle for the right to work, against repression by the employers, dismissals and discrimination.

The role of the JCP [Portuguese Communist Youth] in the movement and the struggle of the young people is basic. The first congress of the JCP, to be held this coming 24 and 25 May, will arouse the enthusiasm and will mobilize thousands of young people and will take on an important role in the later strengthening of the struggle of the youth of Portugal.

The movement of intellectuals and technical cadres, moving closer to and joining in the generally rising popular discontent, is playing an increasing role in the national protests against censorship and the manipulation of the mass media, against the obscurantist cultural policy, the deterioration of education and health services, subjection to technological and scientific colonialism, and the struggle for peace and independent development.

The movement of the small and average tradesmen and industrialists continues to develop positive activities in defense of their interests,

demanding the reduction of interest rates and the expansion of the domestic market, protesting against the speculative maneuvers of the wealthy middlemen and struggling against the increasing difficulties and intensification of bankruptcies resulting from the economic policy of the government.

The movement of pensioners, the retired and the elderly is pursuing the struggle for satisfaction of urgent demands, such as the updating of retirement pensions consistent with the increase in living costs, a minimum pension no less than half of the national minimum wage, medical and pharmaceutical aid, and discounts on mass transportation.

5. The CC appeals for the intensification of organizational, informative and propaganda work with a view to the still broader and more forceful development of the popular struggles of the masses on all fronts.

Along with the struggle for immediate and specific demands in connection with the problems directly affecting the situation of the people's masses, it is necessary to pursue the struggle against the attack upon and monopoly of the mass communications media by the AD parties, against the economic policy of the government, against the integration of Portugal in the Common Market, and against the foreign policy in the service of the imperialism of the United States and NATO.

6. In the current situation, the economic and social struggle and the political struggle are inseparable, giving the acute nature of the problems of an economic and social sort which profoundly affect the interests of the masses and are the direct consequence of the actions of the reactionary government.

The rapid politicization of the economic and social struggles is inevitable.

The CC stresses that the objective and subjective conditions for intensifying the movement in the popular struggle of the masses, which is inseparable in the present situation from the struggle to oust the Sa Carneiro government, do exist.

7. The CC stresses the need to join together all forms of struggle--mass struggle, parliamentary action, petitions to the organs of authority, work in the autarchies, recourse to the courts, competition in the elections.

8. The CC calls attention to the dangers of any recourse to forms of action outside the constitutional framework in the present situation. The dropping of leaflets containing a "manifesto" of the "25 April People's Forces" (FP-25) announcing the establishment of a "revolutionary army" to "provide a military framework for the working masses for the attack on the bourgeois regime" appears to be a real provocation. From its content, the slogans and the language (although this may be an extreme right-wing provocation) the possibility that the authors are reckless groups of the so-called left cannot be excluded.

Whatever the case, the CC warns that any "violent actions" (terrorist actions, bank robberies and others) seemingly linked, as the "manifesto" says, with agrarian reform, the struggles of the workers' class, and the small farmers, etc, would take on a provocative nature serving the purposes of the reactionary forces.

9. The CC insists that all popular and democratic activities are being pursued and must continue to be pursued within the framework of the constitution, of legality and the democratic order, our institutions and our regimes, the freedoms and the rights set forth in the constitution.

This political and legal framework does not allow the reactionaries to pursue their plans to destroy the April conquests and the democratic regime. For this reason they are violating it and want to destroy it. But it gives the Portuguese people room enough to defend their rights and conquests and to guarantee the continuation of the April Portugal.

11. Unity of the Democratic Forces

1. The CC confirms the PCP policy of moving closer to and reaching understanding and unity of action with Portuguese democrats and patriots in order to face up to and defeat the subversive campaign and plans of the reactionaries and to guarantee the continuation of the democratic regime.

2. The CC resolves to establish closer bonds of democratic cooperation with the MDP and with numerous democrats with or without party affiliation who are today acting jointly with the PCP.

3. The CC insists on the total readiness of the PCP to consider, jointly with the PS, without any prior conditions, all the problems pertaining to the current situation, in order to establish general or specific agreements and coordinated or convergent joint actions to make it possible to confront and triumph over the campaign of the PPD-CDS government, to defeat the reactionaries, to oust the Sa Carneiro-Freitas do Amaral government, and to guarantee democratic elections and an overwhelming victory for democracy in the coming elections.

4. To the same end, the CC looks favorably upon regular meetings with the UEDS and the possible holding of informal and exploratory meetings with the ASDI and the UDP [Popular Democratic Union].

5. While the reactionary parties have a weak majority in the Assembly of the Republic and continue in the government, not because they have won the majority of votes, but because they have clung together, when the fascist and pro-fascist and reactionary forces of all hues are joined together in the same plan to destroy the democratic regime in order to establish a new dictatorship, it is the basic duty of all democrats and patriots, whatever the party or political faction to which they belong may be, to do everything possible to reach an agreement in order to frustrate the sinister

plans for counterrevolution and to guarantee the continuity of the April Portugal.

12. Strengthening the Role of the PCP

1. The CC stresses the determining role of the PCP in opposing the policy and the subversive plans of the reactionary parties.

The strengthening of the party--the strengthening of organization, propaganda, cadres--is a basic prerequisite for the development of the mass movement and for moving finally toward a democratic alternative.

2. The CC has studied the major party events soon to be held:

The "Portugal and the Common Market" conference of the PCP to be held on 31 May in the city of Oporto;

The national conference of the PCP (on the coming elections) to be held on 14 June, also in Oporto; and

The AVANTE! Festival to be held on 11, 12 and 13 July in Alto da Ajuda, in Lisbon.

These major undertakings will play an important role in the proper orientation and dynamization of the party and the masses. The party is working zealously to ensure their full success.

3. The CC has assessed the advance of the recruiting campaign which set as its overall goal another 10,000 new militants prior to the national party conference on 14 June.

The CC has found that the results are entirely satisfactory, and expects that the goal set will be generously surpassed.

4. The CC is certain that all the party organizations and the militants will make every effort to ensure the successful completion of the tasks set forth at this plenary session.

5. The PCP is the great organizer, promoter and inspirer of the people's struggle. It is a necessary, indispensable and irreplaceable force for the defense of the interests of the workers and the people's masses, for the battle against the reactionary forces, for the defense of the freedoms and other conquests of the revolution, and for the defense of the democratic regime and national independence.

Closely linked with the workers' class and the people's masses, tirelessly pursuing a policy of unity for all democrats and patriots, the communists will honorably carry out their tasks.

The reactionaries will be defeated. The Sa Carneiro-Freitas do Amaral government will be ousted. The illegalities and injustices will be corrected. The conquests of the revolution will be defended and will continue. The Portugal of April lives and will continue to live.

3 May 1980, Central Committee of the Portuguese Communist Party

The International Situation, Foreign Policy of the Government and International Activity

1. The CC of the PCP has analyzed the recent development of the international situation, which confirms the evaluation made at its 25 January meeting.

The CC stresses that the international situation continues to develop in a way favorable to the forces of democracy, national independence, peace, social progress and socialism.

The proclamation of the independence of Zimbabwe, following a long and harsh armed liberation struggle, confirming the irreversible nature and diversity of the revolutionary process, represents a major victory over imperialism and racism in Africa and in the world. The CC of the PCP reasserts the combative solidarity of the Portuguese communists with the ZANU [Zimbabwe African National Union], the patriotic forces and the people of Zimbabwe, as well as the SWAPO [South West African People's Organization] in Namibia and the ANC [African National Congress] in South Africa, which are courageously leading their peoples in the struggle for national liberation, against racism and apartheid, and all the peoples struggling for their national and social emancipation.

In particular, the CC studied the serious threat to the peace and security of the peoples resulting from the efforts of the imperialists to halt the advance of the revolutionary process of social and national emancipation of the peoples, to deal with the worsening of the general crisis in capitalism at the cost of the workers and the people's masses, and the restrictions and attacks on the democratic freedoms and the independence of the peoples.

The imperialists have launched a long and dangerous counteroffensive against the peace and the security of the peoples since the period of the cold war.

The long-term armaments program adopted by NATO under pressure from the United States in May of 1978; the sinister neutron bomb project; the failure of the U.S. to ratify the SALT II agreement; the establishment of the "rapid intervention force" by the United States; the provocation of Cuba at the time of the conference of nonaligned countries; the strengthening of military bases and the gigantic naval operations by the United States in the Indian Ocean, Persian Gulf and Caribbean; the NATO decision to install new U.S. missiles in West European countries; the retaliation and boycott

measures adopted by the Carter administration against the USSR and other socialist countries, as well as Iran; the orchestration of violent anti-communist and anti-Soviet campaigns; the pressure and blackmail used by the United States against its allies and the collusion between the imperialists and the Chinese leaders; the atmosphere of hysteria and chauvinism surrounding the electoral campaign in the United States--these are facts which come within a strategy of "positions of strength," of confrontation with the socialist camp, of material and psychological preparation for war on the part of the most reactionary and aggressive circles in the United States and NATO.

As our party has already indicated, the vast anti-communist and anti-Soviet campaign orchestrated by the U.S. imperialists using the events in Afghanistan as a pretext provides a cover for the aggressive strategy of the imperialists, their policy directed against peaceful coexistence among nations with different social systems, against clearing the atmosphere and in favor of a return to the cold war in international relations.

The military operation recently launched by the United States against Iran shows to what point the most reactionary and aggressive circles of U.S. imperialists are prepared to go in their provocative and adventuristic line. The operation resulted in total failure. But the danger of new imperialist military ventures in Iran and other points in the region and the world, which might plunge mankind into a destructive war, still looms.

The hawks in the Pentagon, who even forced Secretary of State Cyrus Vance out, are seeking at any price, in the name of "Western solidarity," to carry the imperialist powers in the EEC and Japan along with their warmongering strategy, imposing upon them a policy of accomplished fact.

The CC of the PCP denounces the aggressive intentions of the imperialists in the Near and Middle East as particularly dangerous, and it reiterates its solidarity with the Arab peoples, specifically the Palestinian people, the peoples of Afghanistan and Iran, and all the progressive and anti-imperialist peoples and forces in the region.

At the same time, it calls attention to the threats which hover over other peoples and regions of the world, for example Central America, where, moreover, the social and national liberation movement of the peoples is visibly on the rise, in particular in Nicaragua, El Salvador, etc. The vast U.S. military operations scheduled for this coming 8 May, calling for the movement of colossal resources in military personnel and equipment and the violation of Cuban territorial waters, constitute a serious provocation of socialist Cuba and the Caribbean nations.

Once again, the CC denounces the adoption adopted by NATO in December to install about 600 new U.S. missiles in Western Europe as an act which is an extremely serious threat to the peace and security of our continent, and it calls upon the Portuguese workers and people to pursue the struggle

to prevent the implementation of this decision, by negotiations and disarmament.

The CC of the PCP believes that the mobilization of the broadest popular strata and the fullest cooperation by all political, social and religious forces which oppose war are possible and necessary.

The movement for peace and disarmament in Portugal constitutes a specific and important component in the popular movement. The PCP is ready to consider, jointly with all the democratic, patriotic and peace-loving forces in our country, undertakings and actions of a broadly unitarian sort for peace and disarmament.

The CC of the PCP expresses its profound conviction that it is possible through the united and resolute action of the revolutionary and peaceful forces to force a retreat in the hegemonic and aggressive plans of the imperialists, to defend detente, to guarantee peace and achieve new successes along the path to democracy, national independence and socialism.

2. The foreign policy of the Sa Carneiro-Freitas do Amaral government is one of the pillars supporting the subversive plan designed to liquidate the Portuguese democratic regime and establish a new dictatorship.

The government of the reactionary parties is seeking by every means to win support among the worst European and international reactionaries, is pursuing a policy of national neglect and submission to the imperialists, is proclaiming itself the adversary of detente and is participating actively in the imperialist campaigns to make the international situation more acute.

The CC voices the firm opposition of the communists to the intensified support of Portugal's participation in NATO and the subordination of the Portuguese armed forces through its mechanisms; the entry of Portugal into the Common Market of the monopolies, which the government is seeking to hasten without even safeguarding the most basic national interests; the irresponsible and provocative activities designed to hinder and limit Portugal's relations with the USSR and the other socialist countries; the sabotaging of relations with the new African nations, specifically by sheltering traitors and nurturing neocolonialist plans, conspiracies and plots against these nations; the servile submission to the orders of the Carter administration, very clear in the case of Afghanistan, in the suspension of trade relations with Iran, as well as the campaign to boycott the Olympic games; the use of the military bases located on Portuguese territory for acts of aggression by the imperialists against other peoples; and the hostile attitude to the holding of the Madrid Conference on European Security and Cooperation.

The CC of the PCP warns the workers and the people of Portugal of the grave dangers to which Portugal is exposed, as a result of the involvement

and active participation of the Sa Carneiro-Freitas do Amaral government in the aggressive and adventurist plans of the U.S. imperialists and NATO.

The CC of the PCP calls upon the workers' class, the Portuguese people and all the democratic and patriotic forces to intensify the struggle in defense of their independence and national sovereignty, against the policy of submission and alignment with imperialism.

The CC of the PCP insists on the need for prompt normalization of the relations of friendship and cooperation with the USSR, the other socialist countries and the new African nations with whom the policy of the present government is creating difficulties.

The CC of the PCP insists that respect for the principles of foreign policy set forth in the constitution, the effective diversification of our foreign relations, the defense of our national interests and sovereignty, and the pursuit of a policy of peace, friendship and cooperation with all peoples are of vital interest to the workers and the people, to the defense of the democratic regime, to progress and national independence.

3. The CC of the PCP has discussed and approved the international activity of the party in the recent period.

Since the beginning of the year, the PCP has welcomed to Portugal delegations representing the communist parties of Spain, Holland, Czechoslovakia, and France and other official delegations and study groups. PCP delegations have traveled to Cuba, Angola and the Middle East, and to various countries in Western Europe. The PCP was represented at the congresses of the Polish United Workers Party and the Hungarian Socialist Workers Party, as well as other international congresses, meetings and conferences. New ventures are planned for the immediate future.

The PCP has always regarded its national tasks as inseparable from its internationalist duties. The PCP is working for cohesion among the three great revolutionary forces in modern times--the USSR and the other socialist countries, the workers' movements in the capitalist countries, and the national liberation movements--and for the strengthening of unity in the international communist movement on the basis of the principles of Marxism-Leninism and proletarian internationalism.

The CC believes that the development of the relations between the PCP and other communist parties, as well as other democratic and revolutionary parties and movements, is a basic factor in the development of the bonds of friendship and cooperation between the Portuguese people and other peoples, and the development of relations of peace and friendship between the new democratic Portugal and the other countries of the world.

The CC of the PCP stresses that the unity of the international communist movement represents the foundation and a decisive and irreplaceable factor in unity of all the anti-imperialist forces, all of the forces struggling for democracy, peace, independence, social progress and socialism. In particular, the CC stresses the importance of friendship, cooperation and solidarity between the communist parties in the capitalist countries and the socialist countries.

A constant factor in the activity and the orientation of the PCP has always been its readiness and desire to meet with other brotherly parties to exchange experience, analyze situations, discuss opinions and reach common agreements, both through bilateral encounters as well as in multilateral meetings of various types, in the preparation of which it is without a doubt desirable to have prior consultations making it possible for each party to contribute with its experience and opinions.

The CC has received a report on the meeting of European communist and workers' parties held in Paris on 28 and 29 April, in which a PCP delegation participated. The CC of the PCP assigns the greatest importance to the struggle for the goals set forth in the "Appeal of the Communists to the Peoples of the Countries of Europe" adopted at that gathering, and the need to develop adequate undertakings on various levels with a view to mobilizing the broadest social and political forces for detente, peace and disarmament.

3 May 1980, Central Committee of the Portuguese Communist Party

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CSO: 3101

PCP SENDS ANNIVERSARY GREETINGS TO SPANISH CP

Lisbon AVANTE! in Portuguese 17 Apr 80 p 2

[Text] The Central Committee of the PCP [Portuguese Communist Party] has sent the following message to the Spanish Communist Party:

"Dear comrades;

"On the occasion of the 60th anniversary of your party, the PCP Central Committee sends fraternal greetings to the Spanish Communist Party and all the communists and, through them, to the working class, the workers and people of Spain.

"The life of your party is historically linked to the heroic struggle of Spain's working class and its communists in defense of the interests of all the workers and for social progress. in defense of the 1936 republic and against the fascist barbarism. in the struggle against the Franco dictatorship and for the conquest and safeguard of democratic liberties.

"Confident that, as they have in the past, the Spanish communists will give their best efforts in future battles in defense of the liberty, progress and independence of your country and in the struggle for socialism, the PCP speaks for the communists and workers of Portugal in expressing militant solidarity and wishes for further success.

"Comrades;

"The Portuguese working class and the communists are taking forceful action to strengthen understanding and unity among all the democratic antifascist forces and sectors, above all, the communists and socialists. Today, they are deeply engaged in a stubborn struggle to defend the democratic and antimonopolistic changes and the constitutional regime itself, achieved with the Revolution of April 1974, which is now threatened by the illegal and violent offensive launched by the reactionary PPD [Popular Democratic Party] and CDS [Social Democratic Center Party].

"At the same time, confronted with the politics of the arms race, the aggravation of international tension, the interference and aggression of the North American imperialists, and world reaction, the PCP is taking resolute action to broaden and deepen the unity of the world front of anti-imperialist forces and, above all, the unity of the decisive element in that front, the international communist movement.

"In this sense, and in the interest of the struggle of our peoples, on the occasion of your 60th anniversary, we reaffirm to you that the PCP will continue to act to strengthen the fraternal relations of friendship and cooperation between the Portuguese and Spanish communists, between the PCP and the Spanish Communist Party, based on the principles of Marxism-Leninism and proletarian internationalism."

6362

CSO: 4401

PCP DELEGATION ATTENDS SOLIDARITY CONFERENCE IN IRAQ

Lisbon AVANTE! in Portuguese 10 Apr 80 p 3

[Text] Coinciding with the fourth annual observance of Palestine's "Day of the Land," the Second International Conference of Solidarity with the Farmers and People of Palestine took place in Baghdad between 30 March and 2 April. Attending, at the invitation of the conference arrangement committee, was a delegation of the PCP [Portuguese Communist Party], composed of Comrades Victor Louro, deputy to the Assembly of the Republic, and Antonio Joaquim de Oliveira Pinto, a farm worker.

The conference, whose premise was "Let us liberate the land of Palestine as we liberate Arab mankind," was attended by over 180 delegations from around the world, representing farm unions, agricultural workers and cooperatives (including a delegation of the Agrarian Reform UCP's [Collective Production Units] and Agricultural Cooperatives) and political party organizations. Also present were delegations from the CGTP/IN [General Federation of Portuguese Workers/ National Intersindical] and the Socialist Party. The Socialist Party delegation was the only Portuguese delegation not to address the conference.

The observance of the "Day of the Land" marked the passage of the fourth anniversary of the third major uprising of the Palestinian peasants against the usurpation and occupation of their lands by the Zionist settlers, an important episode in the Arab people's struggle against Zionist aggression and expansionism.

Portugal played a distinguished role in the conference, not only in the delegates' speeches but on the editing committee for the final documents, to which the CGTP/IN delegate was appointed. The PCP delegation also presented the proposal to declare 30 March the "Day of International Solidarity With the Peasants and People of Palestine," which won general applause and which was adopted by the conference.

6362

CSO: 3101

ARAFAT SENDS MESSAGE TO PCP CENTRAL COMMITTEE

Lisbon AVANTE! in Portuguese 10 Apr 80 p 3

[Text] "I was deeply moved to receive your telegram of solidarity, dated 29 March, on the occasion of the Palestinian 'Day of the Land,'" says a message from Yasir Arafat, president of the Executive Committee of the PLO and commander-in-chief of the Palestinian Revolutionary Forces, to the Secretariat of the PCP [Portuguese Communist Party] Central Committee.

The message continues: "We are highly appreciative of your support for our people's struggle against racist Zionism and imperialism. We assure you that we are with you and with all peace-loving forces throughout the world, fighting in the same trenches for the freedom and independence of all peoples of the world.

"Celebrating the 'Day of the Land,' and rejecting Begin's Zionist plan for so-called administrative autonomy, our people reaffirm their unity in the struggle against the Zionist and imperialist schemes to perpetuate Israel's occupation of Palestinian land and to prolong the domination of the region by the American imperialists. Dear comrades, the 'Day of the Land' was an expression of the will of our people to fight stubbornly for their rights in their native land, despite the heavy sacrifices this might imply. It is further proof that our people will fight against the Zionist intent to expropriate the remaining Palestinian lands from their original and legitimate owners in order to build more military bases on them."

The message concludes: "Finally, I wish to assure you, dear comrades, that our people, inside and outside occupied Palestine, will not cease their struggle until the final victory, including their national right to establish an independent and democratic state on their own native land.

"Revolution Until Victory Is Won!"

6362

CSO: 4401

MOTA AMARAL ON AZOREAN-CENTRAL GOVERNMENT RELATIONS

Lisbon O JORNAL in Portuguese 11 Apr 80 p 11

[Interview with Mota Amaral, president of the Azores regional government, conducted by O JORNAL in the week of 31 March-5 April 1980, in the Azores]

[Text] "The difficulties in relations with the government of the Republic will be solved as we progress in our dialog," Mota Amaral, president of the regional government, told O JORNAL in an interview granted last week in the Azores. This is how he commented on the present status of relations between the Lisbon and the Ponta Delgada governments.

[Question] In the speech that you made at the time of the anniversary of the city of Ponta Delgada, you addressed some criticism to the government of the Republic. What is the cause of that attitude?

[Answer] We are going through a period in which we got rid of some dialog difficulties with the government of the Republic concerning certain topics related to the establishment of autonomy. Some of these topics are related, in the field of finance, with the needs of the region, which are enormous at this time, owing to the state in which various investment operations fundamental for development of the region are. On top of that, since the first of January we have been tackling the problem of reconstruction of the disaster areas, involving rather large investments.

For that very reason, our concern has difficulty in becoming reconciled with certain guidelines being followed by the Ministry of Finance in matters of public expenditures and we believe that regional needs and especially the great need for economic development require their own incorporation in the field of financial guidelines, even on a national level, because part of our investment is guaranteed by support of the government of the Republic.

[Question] How do you interpret that situation, especially in view of the fact that, for the first time, the regional government has someone of the same "family" in the government of the Republic?

[Answer] Those difficulties in our economic-financial situation result from the problems that we always have in finding real understanding in our government authorities of what autonomy of the Azores is as we understand it and as we read it in the Constitution. It is true that the constitutional government is headed by a party that (here also from the start) has the leadership of this whole process, but it is also true that not all its components have had an opportunity to conduct as intimate a dialog with the regional officials as is true of the prime minister and some of the ministers. Therefore, my impression is that these difficulties will be solved, as we progress in that dialog. It is true that, on our part, we have always sought from the start reasonable platforms for understanding and collaboration.

Azores Autonomy Tied to 25 April

[Question] A short time ago, the government decided on its readiness to commemorate 25 April [1974] very extensively and with much participation. What were the reasons leading it to proceed in this way?

[Answer] I have always tried to tie the present configuration of the autonomy of the Azores to 25 April, because the fullness of our autonomy is possible only in accordance with the principle of the 25 April Revolution. This year, it seems to me especially necessary to stress the importance of 25 April, because I note a certain tendency, in some opinion groups, to underrate 25 April. In our opinion, this date is really very important. Therefore, we cannot lose its significance to our autonomy, which is one of the basic factors in our view of the region's development. Within the region, it is also important for everyone to become aware that our autonomy is evolving within a practical spirit, moving toward aspirations of social justice.

In addition, it is also important for certain campaigns that have emerged in certain mass media on the peninsula in opposition to 25 April and the Constitution to be balanced with this. Autonomy, with its political significance and its projection as structured at present on the basis of the Constitution is possible only within a point of view of unity of the islands. These voices come up to demand solutions contrary to the ones that we are carrying out here and, in this way, they lack support in the majority of public opinion, which, just a few months ago, emphasized well, in the elections, its adherence to the political project of constitutional autonomy.

Statutes: PS Favorable Vote Important

[Question] What political interpretation do you give to the fact that the autonomy statutes approved by the Regional Assembly may have counted considerably on the favorable vote of the PS [Socialist Party]?

[Answer] That fact is extremely important and demonstrates that here in the region an attempt has been made to do things in terms of creating a

broad consensus for autonomy within the region. The idea of autonomy came into being from a heated debate by various participating parties, because some of them believed that we should not go so far into autonomy. But it seems to me that its exercise has to make the idea workable again and causes the fact that, at present, there is no one who questions basic points of view on the principle of autonomy advocated by the Social Democratic Party. The parties with a seat in the Regional Assembly will agree with us absolutely with regard to approving, in general terms, the proposals initially submitted by the PSD (Social Democratic Party). This fact is going to have positive consequences, because, right from the start, there have been prospects for a broad consensus on autonomy in the Assembly of the Republic, including not only the parties in the Democratic Alliance by the Socialist Party itself.

[Question] That seems to me to agree, in a certain way, with the way in which you regard politics, let us say that within moderation, you advocate maximum consensus. In that connection, how do you view the situation nationally? Do you also support bipolarization?

[Answer] I have had little time to reflect on those matters and to follow the various political incidents, phenomena and events that are the basis for this stand. It is true that, for a long time, search for the greatest possible consensus in the democratic field emerged as a consequence of the maintenance of a status quo that included rather negative aspects. Therefore, things began to head in the direction of bipolarization (very much opposed, moreover, at other times by the CDS (Social Democratic Center Party)). I do not know whether the same situation prevails at present and, therefore, whether this search for maximum consensus would become possible. For that very reason I was interested in attending the debates of the PSD National Council, because I wanted to know what the aspects and details are that form the basis of this option that keeps coming up more and more as a diversive option within the Democratic Alliance.

[Question] In answering in that way it seems that you are underestimating your importance in the national context, in the political context of your party. Nevertheless, many observers have pointed out, not only on the regional level but also especially on the national level, your attempt to function as a "bridge" or "hinge" in the relations between organs of sovereignty, concretely between the present government of the Republic and the president of the Republic.

[Answer] I do not underestimate anything, but I believe that the existence of a more thorough understanding between the organs of sovereignty is basic in a country that has serious problems of an economic and social nature to solve and that is in a process of consolidating its democratic institutions. Nevertheless, I have never assumed any function, any role of moderator, for the simple reason that I have always believed that persons, specifically the president of the Republic and the prime minister, have to seek those ways of dialog because of the office that they hold. Thus, it actually has happened, as it was bound to happen, in spite of the existence of

basic differences that do not seem to impede the functioning of democratic institution, at least so far. That is absolutely necessary for making them constantly more credible in the eyes of public opinion and for counter-acting the effects, that I regard as critical, of the campaign against the democratic institution being conducted by certain public opinion groups.

I Attempted an Understanding Between Eanes and Sa Carneiro

[Question] Let us say, therefore, that, differently from what has been stated, Dr Mota Amaral probably has not tried to play a role, within that spirit of consensus, to the effect that an understanding between the present president of the Republic and the prime minister is still going to be possible.

[Answer] No, that is different. Up to a certain time, it seemed to me that it was still possible to find a basis for understanding, in view of the fact that this caused our democratic institutions to move ahead in significant aspects, inasmuch as there probably already was a mutual understanding of the office on the part of the president of the Republic and of the prime minister. But what I have observed recently in the field of relations between both has now convinced me that this issue is an issue already solved and that, therefore, there is not going to be a search for that dialog between AD [Democratic Alliance] and the president of the Republic himself.

[Question] You have already decided, therefore?

[Answer] In Lisbon, I have not been very active in that field. When I go back there, I shall see how things are, but it seems to me that this matter has been settled, although a certain amount of fluctuation on the part of AD with regard to the profile of the candidate for president of the Republic -- leaning sometimes toward a prominent civilian and other times toward a member of the military -- may be a sign that other surprises, fundamental to our country's political process, can still come up.

A Military Candidate With a Prudent Personality

[Question] What is the profile of the candidate supported by you? Have you already removed the possibility of again supporting the candidacy of Gen Ramalho Eanes from your hypotheses, if it should take concrete form?

[Answer] I do not like to make conjectures on democratic profiles. Nevertheless, the future president of the Republic should be a man capable of performing his duties prudently and, obviously, the more knowledge he has of affairs of state and the more political experience he has, the better. Because this situation will facilitate full assumption of his responsibilities without the need for an apprenticeship that is inevitable in any office. I am sure that a solution to this problem will finally be found. Concerning the question of the possible candidacy of Gen Ramalho Eanes, I have never given any thought to that matter.

[Question] With regard to what you told me earlier, do you support the candidacy of a civilian or of a member of the military?

[Answer] It makes no difference. I have no preferences, abstractly, in this matter. But concretely and taking into account the present situation of our country, I think that it is desirable for the candidate to be a member of the military. Besides, I have been advocating this point of view for a long time now. Last year, through my efforts, an amendment was made in the final strategy motion approved in the PSD Congress to the effect of leaving the conclusions open for the PSD to support an active duty military person. Therefore, I believe that a military man would be preferable, because I think that the time has not yet come to make a change -- otherwise desirable -- to the effect of having a civilian as president of the Republic, within a spirit that must be followed without hesitation.

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PRESIDENT EANES ON PUBLIC, PRIVATE OWNERSHIP, OTHER TOPICS

Lisbon DIARIO DE NOTICIAS in Portuguese 13 May 80 pp 3, 4

[Speech delivered by President Ramalho Eanes at the Lisbon International Fair on 12 May 1980]

[Text] Yesterday, in a lengthy address delivered at the Lisbon International Fair in the presence of nearly 500 businessmen, ambassadors and economic missions represented at the competitive event, the president of the republic said: "The political leader and the business leader are not in a confrontation like adversaries, and they should not fear each other as competitors." Stating his economic convictions in detail which is perhaps unprecedented, the president of the republic outlined the context of Portugal's status in this area, commenting on the consequences of our membership in the EEC, the foreign policy, the constitutional revision and the demarcation of the public and private sectors; and explaining the reasons for the refusal, up until now, to accept the bills for change submitted by the government. At another juncture in his speech Ramalho Eanes also remarked that the "confidence of businessmen is not a static reality."

Ramalho Eanes visited the Lisbon International Fair with Ambassador Fernando Reino, chief of his Civilian Household, the Presidency's advisers for economy, related interests and news media, as well as Dr Sobral Torres, an economic consultant.

He was received by Joao Vaz Guedes, president of the Portuguese Industrial Association [AIP], the AIP's secretary, Ferreira Leite, and the director of the Lisbon International Fair [FIL], Fernando Muller, who accompanied him on the lengthy visit that he made to all the booths, during which he met with both native and foreign exhibitors.

At the conclusion of the visit, the president of the republic was tendered a luncheon attended by the ambassadors of the countries taking part in the exhibition, the businessmen and also the economic missions represented at the competitive event. Beforehand, however, in the FIL auditorium, Eanes delivered the major address which we are reprinting below, responding to the businessmen by stating: "You have not found my explanation sufficiently clear."

This speech (or this "opening of the election campaign," as we heard it described) was attended by over 500 persons, including businessmen represented at the Fair, ambassadors and specialists in economic affairs from the various diplomatic missions in Lisbon.

Ramalho Eanes began by saying: "The years of great political tension that we have experienced have not been conducive to a calm analysis of the economic issues facing our country;" adding that, "The economic policy, the organization of business firms, the exercise of management and even the statistical analyses have been excuses for political and ideological battles; and, at times which we all remember, the very attempt to seriously equate the economic problems was considered proof of the political immaturity and lack of understanding of the social movements, or even as evidence of technocratic evils."

He continued: "But we have not completely lost the habit of making the economic issue one of the driving forces of propaganda activity and political agitation. There have been opposing accusations of ambiguity and indecision, with promises of clarity and speed in solving all the problems. These are easy accusations and difficult promises when one is living in the midst of the uncertainties accompanying the crises. They are unjustified accusations and illusory promises in a society wherein there are still serious factors causing conflict among the various social groups; something which does not allow for proposals to be made easily for decisions, as if they could be accomplished without resistance, that is, as if we were in a world of perfect harmony, stability and inexhaustible opportunities."

'The Experience of the Past Is Clear'

Ramalho Eanes declared: "Both in the economic realm and the political realm, the experience of the past is quite clear in its warning to us regarding the flimsiness of the ostensible certainty about the destiny of the spurious stability that exists in the systems of authority, repressing the free expression of the interests of the various groups comprising a society.

"The price to be paid for the tensions that have accumulated is inevitable social explosions which are always uncontrollable and certainly destructive of the possible progress made in the meantime," the president continued; adding: "The main requirement that must be made of a responsible politician, to direct his action toward the national interest, must always be the constant search for, and steadfast defense of the sound, just foundations on which political activity, reflected in production and in the distribution of income, is based."

Ramalho Eanes observed: "More during periods of crisis than at normal times, it is in the soundness and justice of those foundations that the main, and perhaps the only defense of the economic system and the society lies, against the outbreak of tensions which will soon reduce to nothing all that has been built on vulnerable foundations, because they are distorted and unjust.

He went on to say: "The political leader and the business leader are not in a confrontation, like adversaries, and they should not fear each other as competitors. They are cooperating parts essential to the operation and the viability of a society, elements which are fundamental to its orientation, its material subsistence and even its independence.

"This imperative rule is not at odds with the recognition that the best defense of the collective interests, and the best security in economic activity, has always been, and will continue to be in the orientation established through a democratically legitimized political authority, the only one that can resolve the conflicts and find the most feasible negotiated responses."

Eanes emphasized: "Therefore, cooperation is not synonymous with subordination, much less with submission. In democratic societies, the orientation that is adopted results from accord reached among many positions, which are upheld in complete freedom. Hence, if it is inadmissible for economic, business, trade union or consumer interests to be silenced by a political authority, which would thereby become illegitimate, it would be even more inadmissible to defend or create conditions that would make the political authority directly bound to fulfill limited economic group interests. The democratic legitimacy would be destroyed here also, by its improper use."

Describing a situation experienced during recent decades, "and the agitated period which preceded the determination of the fundamental rules of our collective existence," the president of the republic continued: "Today, these affirmations have the gratifying quality of evidence."

He declared: "In the critical judgments that we make of what all of us have done, it is important not to forget that we have had to live in a complex, difficult period of transition and adjustment to new realities, which have been burdened, and are being burdened by uncertainty about the future."

He continued: "Everything may not have been decided and done in the most effective manner. Some mistakes may possibly have been avoided, some sacrifices may possibly have proven less burdensome, if there had been an awareness sooner of the weakness of our economy, and if we had always developed a habit of negotiation and consensus."

"Despite everything, the calm, dispassionate examination that we are making, with the internal and external conditions under which we are making it, will warrant the conclusion that we can be proud of the way in which the Portuguese people (citizens, workers, businessmen and political officials) have managed to respond to the many challenges that we have had to face in the economic area."

The Confidence of Businessmen Is Not a Static Reality

In recent years, there has been frequent mention of the confidence of businessmen in the interpartisan proposals and consensuses which are the basis for that confidence, according to Ramalho Eanes, who nevertheless noted:

"Like everything that is established in a society of individuals, and especially a free society, the confidence of businessmen is not a static reality, nor the automatic result of any decision. The confidence of businessmen exists when they are guaranteed the political and social conditions for stability and security, when the rules are clearcut and when rights are upheld."

In the opinion of the president of the republic, "It would be dangerous to harbor the illusion that the confidence of businessmen could exist without a complete conviction of democratic continuity; without constant respect for the standards of open coexistence between political positions and interests; or without enduring acceptance of the conditions caused by legitimate forms of change and transformation."

"On the contrary, the confidence of businessmen increases in societies wherein it is possible to find stabilizing solutions to the conflicts, and wherein the economy and its main agents (that is, the workers and business owners) are not systematically used as tools for a political battle of which they would end up the greatest victims."

General Eanes emphasized: "The confidence of businessmen, like the confidence of trade unions, will therefore be a natural result of political stability." He then admitted:

"Convinced of the soundness of these general principles, and of their relevance to the problems that we have been experiencing, I have guided my activity in the economic area by them, an activity which, although restricted by constitutional limits, I have always tried to make nationally expressive of my engagement in a realistic economic policy, geared to a crisis situation, directed toward the integrated coexistence of private and public sectors, and toward freedom of association for economic interests, both those of business owners and those of trade unions."

First Task: To Withstand the Effects of the Crisis

The president of the republic went on to say: "Since withstanding the effects of the widespread crisis that we are undergoing is a constant concern, it is the first compulsory task; but to make use of Portugal's opportunities in that crisis and in the new reality that will result from it means responding to the challenge and the demands placed on our generation."

He gave the following description of our economic situation: "We have, with some success, borne the first onslaught of the crisis; we have succeeded in clarifying the essential features of the orientation for our economic model; we have maintained rates of growth in the product which, despite everything, are higher than the average for the OECD [Organization for Economic Cooperation and Development] countries; and we were able to end 1979 with positive balances in our accounts with other countries."

Ramalho Eanes said: "However, we must be aware of the fact that the times ahead of us will be more difficult insofar as foreign economic relations are concerned;" stressing that, "For this reason, we opted for a very cautious policy in 1978 and 1979, so as to conserve resources which will be crucial to back development and to support potential (I would say certain) further increases in the international prices of raw materials, and in the costs of all products, owing to the effects of world inflation." And he continued:

"But, in order to cope with the new manifestations of the crisis, and especially to make progress in utilizing the existing opportunities without succumbing to further dependence, we cannot abandon this precautionary policy. Otherwise, we would run the risk of losing the recovery that has already been made and of having to demand additional sacrifices of the Portuguese people, to the great detriment of social stability."

Affiliation With Europe Is Essential to National Progress

The president of the republic also declared that the guidelines for the development of our economy have been marked by integration with the European communities and the utilization of our natural potential, specifically in mutually advantageous relations with nations on other continents.

"Affiliation with developed Europe is essential to national progress," he remarked, "but it will not be achieved with mere statements of desires, which are so often aimed only at objectives of a political nature. The complete integration with Europe must be carefully planned; it requires realism, a pooling of efforts, daring in our structural adjustments and, in particular, persistence in seeking a counterpart of the adaptation on the part of the communities, so that European unity will be built on criteria of equity and balance."

The president of the republic went on to say: "Easy enthusiasm and less considered decisions will necessarily lead to both national and individual improprieties and detriment;" noting that, "While this holds true with regard to European integration, it is no less applicable to economic cooperation with nations on other continents, particularly those of Africa.

"To allow the loss of the potential that we have in this area would not be damaging to the interests of Portugal and those countries alone; it would also interfere with our capacity for negotiation with the communities and, in the final analysis, with the interests of Europe itself."

The president of the republic commented: "An appropriate response to the problem of investment is equally crucial to the utilization of opportunities;" adding: "No economy with our level of development can grow at the necessary rate without high rates of savings, and without quick, effective mechanisms allowing them to be channeled toward investment."

"The high interest rates, which are now being applied throughout the world, since they are an essential incentive for savings during a period of high inflation, are also a major limit on investment and a real problem for the development process."

Using the Indemnification for Development

As the president of the republic said, that goal is within our reach, because "it will be possible to use on behalf of development the funds resulting from the payment of indemnification for nationalizations and expropriations, fostering their use for new investments which are duly integrated and coordinated through consistent programs and specialized institutions." And Ramalho Eanes continued: "In any event, these great problems will not find a satisfactory response, and may even become considerably worse, if we cannot manage to preserve the conditions of security and stability in the rules of democratic legitimacy."

"There are also, on the more immediate horizon, some matters which require an urgent clarification, inasmuch as they determine the response to the more general problems of our development strategy."

General Eanes said that one of these matters "is Portugal's political position in the international context. In its fundamental bases, the reflection of Portuguese foreign policy has its guidelines in complete integration with Europe, fidelity to the commitments assumed in the North Atlantic Treaty, and use of all the opportunities afforded by the present external relations, specifically those with the nations to which we are bound by special ties, such as the Portuguese-speaking countries, and those in which the most Portuguese emigrants are working. It should be stressed that this orientation is in keeping with the political interests of Portugal, and has a decisive effect on the economic opportunities that are offered us."

According to the president of the republic, it would be a mistake, with serious consequences, and heavy economic damage, "to overlook or upset this position of Portugal in the international context, whatever the ostensible short-term benefit of measures which would not uphold our defense of European interests, fulfillment of our responsibilities to NATO and the commitment to establish just relations, marked by non-interference, with other nations."

Demarcation of the Sectors of Activity

Another matter analyzed by the president of the republic was the demarcation of the sectors of economic activity, a matter which, moreover, elicited direct questions from one of the manufacturers present at the FIL.

Ramalho Eanes said that a distinction must be made between "what should be studied in the seat of constitutionality and what must be analyzed in terms

of economic policy." And the president of the republic went on to explain his personal stand on this matter:

"As I have already stated several times, I maintain that the Constitution should be revised, on the basis of the experience that has been gained in the meantime. But I cannot agree, nor can I understand how anyone in a democratic system could agree, that such a revision should be made using designing methods and outside of the context of the conditions that have been established institutionally."

"On these terms," he added, "the constitutional issue of the demarcation of sectors can be considered on new bases after the constitutional revision. But until that revision is actually made, any legal document on the subject cannot fail to comply with the stringent criteria established in the Fundamental Law.

"In the seat of economic policy, and once the constitutionality of the legal document has been assured, the validity and relevance of the measures contained in any proposal to change the present demarcation of sectors will have to be studied.

"Of course, that assessment can only be made after the concrete and precise terms on which that change would take place are known, and specifically with regard to its potential and the guarantee, which is essential in this case, that the democratically legitimized political authority would not be dependent on private economic interests.

"Despite the heated debate that has surrounded this issue, the problem of constitutionality has, up until now, concealed the total lack of information on the grounds and the consequences of the new location of the sectors, thus precluding an exact judgment regarding the economic validity of the plan underlying the present initiatives.

"In fact, the first documents submitted for promulgation do not contain any specifications of an economic nature, and therefore they do not allow for a serious evaluation of their benefit to economic development and to the stability of the Portuguese democratic system."

The president of the republic also noted: "While the problem of constitutionality of any legal document is always important from the standpoint of principles, in this specific instance, my concern is particularly directed, as is understandable, toward ascertaining the specific subsequent measures that will lend those rulings a clearcut shape."

Zanes concluded: "It will be on the basis of those measures that I shall exercise the political responsibility that the Constitution and democratic legitimacy have conferred upon me;" adding that he could not fail to underscore "the need to uphold the conditions of stability in the economic calculations." And he continued.

"During a period wherein the external crisis is a factor for uncertainty, which we cannot control, particularly with regard to costs and prices, it would be dangerous to let imbalances accumulate which would cause tension, resulting in a sudden outburst of demands, based on sound arguments."

Let Us Hope That the Parties Will Assume Their Responsibilities

Ramalho Eanes continued, saying that it was also impossible to talk about investment and development "without having made sure that the distribution of income allows for supporting a sizable domestic market and a justified effort for savings." He remarked that, "Forgetting these realities, or diluting them in the radicalism of the political debate, would not be serious if Portugal were living in complete abundance and if the horizons for progress were clear." But their omission is disturbing from the standpoint of democratic continuity, economic recovery and social justice, when the sacrifices are required of everyone and development depends on the national consensus.

"Hence, we should hope that, in the forthcoming election campaign, the parties will assume their responsibilities toward the society, submitting for the consideration of all Portuguese, and especially the economic agents, detailed programs involving their concepts of economic policy, and a specific indication of the types of joint, organized, systematic participation between the government, and the business owners and trade union associations, with a determination and implementation of economic policies, particularly with regard to credit and labor legislation.

"This is, above all, an important requisite for the creation of the bases for a consistent constitutional revision, backed by clearcut plans for the Portuguese society."

Finally, the president of the republic justified the speech by saying that he felt that the meeting, "organized by an industrial association with a long tradition in our economic existence," was an appropriate occasion on which "to tell you how I view some of the most significant aspects of the problems of the Portuguese economy; problems which stem in large measure from a crisis situation for which we must find, together, effective and national responses." And he concluded:

"This is also a way of expressing my conviction of the advantages of dialog with all those who, in their daily work, are creating the conditions for the success or failure of the policies.

"It is, finally, the public proof of my recognition for the decisive action that can be taken by the associations of interests, whether they be those of business owners or trade unions, in determining the collective task that will insure recovery and development.

"The competitive event that I visited today, which is evidence of the vitality of our economy and of the interest devoted to it by many countries, attests

to the capacity of the Portuguese people, and, in itself, warrants our hopes for the future.

"And the subject that serves as the basis for it (the environment and its preservation) must be an ever present concern in the country's development, so that criteria of exclusively economic types will not sacrifice the natural environment and will not disturb the living conditions of the individual."

On the whole, the businessmen present in the FIL auditorium appeared to accept the speech of the president of the republic positively. But, at the end of the address, some of them took advantage of the opportunity (the "only one," as we heard it commented) to ask him direct questions; and they tried to clear up doubts concerning the limitation on imports, the suspension of commercial exchanges with Iran and the demarcation of sectors.

In response to this latter question, asked by Salvador Caetano, Ramalho Eanes specifically stated: "There is a Constitution which, whether fortunately or unfortunately, is a reliable reference point; and, as such, it should not be changed except by the mechanisms that it stipulates itself." And, comparing the situation that has existed in our country since 25 April and the process of decolonization with that experienced by other European countries since World War II, he concluded:

"I perceive that there have been traumatic conditions which have not been surmounted, but it seems to me to be necessary to view the present situation and the future with realism and hope."

'We Are Honored by This Visit to a Manufacturers' Establishment'

At the opening of the session in the FIL auditorium, Joao Vaz Guedes, president of the Portuguese Industrial Association, expressed appreciation for Eanes' visit "to this manufacturers' establishment," which, as he said, represented "acknowledgement of the important role that is incumbent mainly on the industrial business-owning sector in the recovery of balance in the nation's economic status."

The president of the AIP then gave an account of the association's 120 years of existence, citing "the effective adjustment made by many businessmen, who have succeeded, with reflection and calmness, in coping with the difficulties that have so greatly typified recent years." And he stressed:

"In the area of the Portuguese Industrial Association's relations with foreign countries, note should be taken of certain activities or initiatives that have been carried out in connection with the agreement between Portugal and the EEC," especially the participation of AIP experts in various meetings held in Brussels and Lisbon, the meetings and conferences with experts from the Community and the visit paid by Richard Burke, from the EEC's Commission, to our country.

"It is within this vast and productive context that the Portuguese Industrial Association has projected its image," he stated in conclusion, "contributing in an unequivocal fashion to the development of the nation's economic potential. And, Mr President, you may be certain that we shall continue striving to pursue this action."

INCREASE REPORTED IN FOREIGN INVESTMENTS

Lisbon O JORNAL in Portuguese 11 Apr 80 p 18

[Text] In January of this year, direct foreign investments amounted to 463,321 contos, according to what is revealed by the bulletin of the Foreign Investment Institute, entitled "Progress Report." In the same period of 1979, that amount was close to ten times less (40,665 contos).

Close to 300,000 contos were for increasing the capital of companies already established. Over 10,000 were used for the total acquisition of industrial units and approximately 62,000 for buying shares in companies. Almost 75,000 contos were also used for establishing new companies.

EEC Responsible for 58 Percent of the Investments

The EEC member countries were responsible for 58 percent of the direct foreign investments made in January of this year. EFTA participation amounted to around 11 percent.

By countries, Belgium held first place with 177,300 contos, followed by Switzerland with 48,700, Spain with 43,100 and the United States with 35,100.

By economic area, the investors' preferences were for the "manufacture of metal products and machines, equipment and transportation material" (40.95 percent), "wholesale trade" (15.61 percent) and food industries (10.9 percent).

This upsurge in direct foreign investments confirms the data obtained in other ways, which indicate greater confidence in our country by foreign investors. It is pointed out that, recently, a survey conducted by the periodical INSTITUTIONAL INVESTOR, New York, together with some of the leading international bankers, indicated a definite improvement in Portugal's position with regard to investors' confidence (from 56th place, in September 1979, Portugal went to 47th place, in March 1980).

BRIEFS

CONDOLENCES TO VIETNAMESE CP—On learning of the death of Comrade Ton Duc Thang, president of the Socialist Republic of Vietnam, the PCP [Portuguese Communist Party] sent the following telegram to the Central Committee of the Vietnamese Communist Party: "Dear comrades, it was with great sorrow that we learned of the death of Comrade Ton Duc Thang, president of the Socialist Republic of Vietnam. Recalling his great stature as a combatant, we express to the Vietnamese communists and the people of Vietnam the heart-felt condolences of the Portuguese communists, and full solidarity with the building of socialism in Vietnam. On behalf of the Secretariat of the PCP Central Committee, Alvaro Cunhal." [Text] [Lisbon AVANTE! in Portuguese 3 Apr 80 p 2] 6362

GREETINGS TO PLO—The Secretariat of the CC [Central Committee] of the PCP has sent the following greeting to the Executive Committee of the PLO: "Dear Comrades: On the occasion of the 'Day of the Land,' we offer fraternal greetings to the PLO and the Palestinian people, and reaffirm the Portuguese communists' militant solidarity in the struggle against the conspiracies of Camp David and for the inalienable national rights of the Palestinian people, the return of their land, the establishment of an independent and sovereign state on the liberated territory of Palestine. Fraternal greetings on behalf of the Secretariat of the Central Committee of the Portuguese Communist Party. [Signed] Domingos Abrantes." Meanwhile, a PCP delegation composed of Victor Louro, deputy to the Assembly of the Republic, and Antonio Joaquim de Oliveira Pinto, farm workers, has gone to Iraq at the invitation of the respective arrangement committee to take part in the Second International Conference of Solidarity with the Farmers and People of Palestine. This second international conference was held in Baghdad from 30 March to 1 April, and coincided with the fourth annual celebration of Palestine's "Day of the Land." [Text] [Lisbon AVANTE! in Portuguese 3 Apr 80 p 2] 6362

GREETINGS TO PANAMANIAN CP—The Panamanian communists are currently celebrating the 50th anniversary of their party, the Panamanian People's Party, founded in April 1930 with the union of various Marxist groups and the left wing of the then extinct Labor Party. On this anniversary, the CC of the PCP has sent the Panamanian People's Party Central Committee "fraternal greetings" and "best wishes for further successes in the Panamanian communists' courageous struggle for social progress and the full independence of their country." [Text] [Lisbon AVANTE! in Portuguese 3 Apr 80 p 2] 6362

PCP DELEGATION TO EUROPEAN COUNTRIES--"National circumstances and the international situation call for an exchange of views on problems of common interest and of information on the existing situation in each country and the activities of the brother parties," Comrade Alvaro Cunhal, secretary general of the PCP, declared yesterday, shortly before leaving on his visit to Switzerland, Belgium, Holland and Great Britain. The PCP delegation also includes Domingos Abrantes, member of the Political Commission and the Central Committee and director of the Information Section of the PCP. As Cunhal said, the delegation "will exchange views on all issues of interest of our party and the brother parties which have invited us to visit their countries and learn more about their situation. For our part," he stressed. "we will give an honest account of the existing political situation in Portugal, the dangers threatening democracy and the prospects for our people's struggle. This information is important at the present moment, given on one hand, the whole campaign of misinformation which the reactionary government is conducting and, on the other hand, the important response of the democratic forces to this situation." [Text]
[Lisbon AVANTE! in Portuguese 17 Apr 80 p 2] 6362

CSO: 3101

CARRILLO: PCE LINE ROOTED IN COUNTRY'S 'NATIONAL HISTORY'

LD231435 Madrid MUNDO OBRERO in Spanish 11 May 80 pp 5-7

[Apparent excerpt from speech by PCE Secretary General Santiago Carrillo at 10 May rally in Madrid to mark PCE's 60th anniversary: "Eurocommunism, an Ideal for the Present Generation"]

[Text] We are grateful for the presence of Enrico Berlinguer and his words of solidarity and encouragement on behalf of the capitalist world's most powerful communist party—the PCI.

Our two parties' histories are closely linked because of the participation of figures such as Palmiro Togliatti, Luigi Longo, De Vitorio and other PCI leaders, in cooperation with Jose Diaz and Dolores Ibarruri.

These ties persist today as a result of agreement on a political blueprint to save peace and insure victory for socialism by democratic means and in ways which will preserve pluralism and the people's sovereignty; a blueprint which is only possible to achieve through tireless struggle for unity among workers and the progressive forces.

It is a blueprint which entails active internationalist solidarity with all peoples struggling for their national and social liberation and at the same time the independent desire to follow an individual path, determined by the realities within which we operate and the period in which we live.

This is also why we invited Comrade Miyamoto, who is working in a great Asian capitalist country—Japan—along a path of independence close to our own and who is not here as a result of having to take part in the election campaign in his country but has sent his speech.

Comrade Tito's Death

We could not fail to pay tribute to a great figure of the world workers movement and great communist leader of Yugoslavia, our friend Comrade Tito. His history of struggle and his contribution as a leader of the nonaligned countries have caused him to win battles even after his death, since the meeting in Belgrade of heads of state and government and of political leaders of East and West, as well as of the Third World, was a moral victory for the policy of coexistence and peace.

Our Origins

On our 60th anniversary, this is the right time to pause and to conduct a necessarily brief reflection on our history.

From where do we come? Dolores Ibarruri put it once in fine words: We come from the venerable trunk of the Spanish Socialist Workers Party and from the tradition of liberation struggle characteristic of our country. We are rooted in the movements of struggle and progress from the Germanias [early 16th century Valencian revolutionary movement], the Hermandinos [allusion unknown] and the Comuneros [early 16th century Castilian revolutionaries] to the liberals who in the 19th century attempted to open up a path of progress for Spain. We are a part, a prolongation and a future for a different Spain, shaped in the course of a torturous history, a Spain so frequently subjected to the stake, the scaffold and the firing squad and rising again as frequently from its own ashes, which is now beginning to find itself again in the state of autonomies recognized by the Constitution.

PCE's Historical Reasons

And if at a given moment in 1920 the PCE emerged, breaking with the Second International and agreeing with the Great October Revolution in Russia, this was not as a result of an act of voluntarism; the historical reasons are clear. The communist parties emerged by breaking with a Second International which had been unable to oppose the first imperialist world war, in which each of the parties except Lenin's had capitulated to its own bourgeoisie, a Second International which had been unable to envisage the transformation of the imperialist war into an uprising against the ruling classes and did not support the first workers' revolution.

But, I repeat, the origin lay deeper and went back to the depths of our own class national history, at the service of our working class and the progressive forces. And if our party did not disappear, as happened to others under so many persecutions, it was because it was closely linked with the interests of the Spain of progress and of each of its peoples.

On its 60th anniversary, the PCE of 1980, its veterans and young people pay tribute to the founders--to Garcia Quejido, Anguiano, Facundo Perezagua, Virginia Gonzalez, Isidoro Acevedo and all those who accompanied them in that heroic venture. We recall them with gratitude, because thanks to them we are here today and thanks to them the Communist Party is a reality in Spain and our ideal--communism--will succeed in winning the hearts and minds of our fellow-countrymen and in fully liberating men and women from all oppression and alienation.

Tribute to Jose Diaz and Dolores Ibarruri

But in recalling our history, two outstanding personalities who through their intelligence and effort freed the party from the sectarianism and dogmatism of its early years, when we were a sect, and turned it 40-odd years ago into a mass party of struggle and government, deserve special mention. I am referring to Jose Diaz and Dolores Ibarruri.

They guided the party toward the unity of the working class, surmounting at a crucial historical time the conflict between socialists and communists, although this reemerged later in the distress of defeat.

They gave impetus to the formation of the popular front--a vast alliance of workers and democratic forces which ended the repression of the 2 black years [allusion unknown] and restored democratic legality, and subsequently heroically tackled Franco's uprising.

Jose Diaz and Dolores Ibarruri thus performed an historic service for the party and attracted the hatred of reaction and also the criticisms of an extreme leftwing which even then condemned the policy of alliances and accused us of "rightism," and this makes us adhere with complete confidence to our revolutionary convictions when today we find the same reactionary hatred and "ultrarevolutionary" criticisms very similar to those at that time.

We Do Not Renounce Our History

We do not and will not renounce this history of unity and struggle which, moreover, caused our party to become a party of government. We do accept it in a critical spirit, but with an utter determination to continue it.

Just as we accept our history in the resistance against the dictatorship, when we often felt very alone, when many people in this country who deemed themselves democrats immured themselves into solitude waiting for better times and when, of course, so many of those who today claim to be democrats and even have the temerity to suspect our democratic intentions were riding in the triumphal carriages which crushed the cultures and freedoms of Spain's peoples.

People sometimes seek to cast a slur on this history with the accusation of Stalinism.

Yes, it is true that we belonged to the communist movement during the era when Stalin headed it, that we supported him, convinced that he was a great revolutionary leader, and that we shared for a while his superficial simplifications of Marxism, which concealed a praxis of which we were unaware until the 20th CPSU Congress.

We Have Always Struggled for Freedom and Democracy

But this does not detract from another reality: that the communist party has struggled for freedom and democracy in this country from its emergence to the present day; that even during the period when we were strongest we upheld the right of other parties, including the bourgeois parties, to operate freely and to be in the government; that even during the civil war itself we issued appeals to the other side in order to achieve unity among the Spanish people, so as to give the conflict a national outcome, without foreign troops and interventions. And that as long ago as 1956 we outlined the policy of reconciliation among the Spanish people and proposed surmounting the trenches of the civil war, so that our people could freely and democratically give themselves the system which they wanted.

And it is also true that, learning the lesson of the Stalin period, we said: Henceforth we will think with our own heads, we will judge with our own minds, and if we make mistakes--and nobody is exempt from this--we will be making our own mistakes, and nobody will be able to accuse us of being his master's voice.

Discipline in Struggle

It is true that for over 40 years we were a party with an iron discipline--an anti-state vis-a-vis the dictatorial state with our very strict laws and rules, whose violation was not tolerated. I wish to cite two instances--I could cite many; among the dead, that of our unforgettable Julian Grimau, and among the living, our dear Simon Sanchez Montero, of those who under torture replied by giving their names and party posts, stating that they would say nothing else, because their party forbade them to do so.

Yes, it was very difficult to be a communist during that period. The requirements for a party member were very stringent. The party's unity and resolve were placed above other qualities. Can that be termed "Stalinism?" At that time there was no clandestine revolutionary organization which was not like this.

The stringent rules of a clandestine party--a party advancing literally under enemy fire, whose members are imprisoned, tortured and shot, cannot be confused with what Stalinism was. That would be to attempt to belittle the history of the most consistent revolutionaries ever to exist in this country. It would be to forget that only such a party can struggle effectively under a fascist dictatorship.

Democratic Life in the Party

But that same party, which was tough, demanding and stringent in clandestinity, is the one which as soon as it achieved legality opened its doors and embarked on a party of internal democracy which, despite all its shortcomings, makes it today the party with the most democratic life in this country.

Democracy is our aim and our vocation, both in internal development and in public life. Through democracy and with democracy, enhancing it to the broadest limits, we will achieve the victory of socialism and communism.

Now, on our 60th anniversary, we have a party different from the party in the 1920's, though essentially it is still the same.

Because it is not true that we conceal our objectives and disguise our aims.

Yes, gentlemen of the ruling classes, we want capitalism to disappear. We want man's exploitation by man, poverty, unemployment and the abysmal discrepancies between peoples to disappear. We want a society of free men and women, a fraternal society from which racism and the social prejudices which are disguised by the pompous name of morals and which turn social hypocrisy into a rule have disappeared.

We want a society in which wealth is better distributed. We are struggling for a socialist, communist society. But we do not want to reach such a society by means of military force or a nuclear confrontation, which would turn the planet into an uninhabited wasteland.

Nor do we wish to achieve it by means of some states' and peoples' humiliation by others.

We are so confident of our ideals that we are convinced that the vast majority of those who now disapprove of our ideals and even those with differing philosophies will eventually share them and work with us to realize them.

The world has entered an economic, moral and cultural crisis. We are experiencing the first years of this crisis in Europe under rightwing governments which cling to the old forms and which are trying to make the workers and less privileged social sectors bear the sacrifices. It is a difficult time. But we are not losing our confidence that the European left will reunite to safeguard peace and turn down the road to new more efficient and more equitable structures. It will be a difficult task. But this is the challenge facing us and we will tackle it determinedly, vigorously and resolutely.

We Want a Radical Change of Society

Precisely because we want a radical change of society, when we announce our intention to defend and strengthen the democratic institutions, when we announce our willingness to act within the framework of the Constitution, we are not misleading anybody: we are sincerely announcing our fundamental beliefs.

We communists will not be the ones to breach the Constitution. We will struggle within the rules of the game that it establishes.

It is others who are dissatisfied with the Constitution. It is the people who are now talking about "reforming the reform," because they believe that we have gone too far; the people who want to set limits on the decentralization of state power by restricting the autonomies.

The people who permit the violation of public freedoms and the persecution of journalists and artists, at odds with the letter of the Constitution.

The people who are unmoved by the spectacle of how the economic situation is deteriorating, the number of unemployed is increasing, poverty is spreading in regions such as Andalusia and the Extremadura, firms are going bankrupt, inflation is eroding pensions and allowances and the entire social fabric is decaying, while they cling to their power monopoly.

The people who have no enthusiasm for the Constitution are those in the present government, which closes itself in an ivory tower and governs with olympian disdain for the representative bodies of the popular will, especially parliament.

Can there be any more obvious example of such an attitude than the recent government crisis and its solutions?

Why the Government Crisis?

But why the crisis? Well, because the Union of the Democratic Center [UCD] suffered three consecutive major defeats in Andalusia, the Basque country and Catalonia--that is, areas in which almost half the Spanish population lives. This--and no other--is the reason.

What should the head of a parliamentary government have done? He should have addressed parliament and acknowledged that the country's opinion had undergone a change, that is disapproved of certain aspects of a policy, and left the way open to a parliamentary debate to find solutions and to open a government crisis in a constitutional manner.

A prime minister who had acted thus would have strengthened his authority with respect to the country and could even have headed another government with increased confidence.

Instead of this, the crisis was conducted within the privacy of the Moncloa Palace [Premier's office], as before at the Pardo Palace [Franco's office]. The country has been shown that action is taking place behind its back, as under the former regime.

And the damage to an already shattered image has been increased. The UCD has suffered its most serious internal crisis since its formation.

And the prime minister almost had to be forced to address parliament and join a public debate. But this debate will be taking place after the event and will now have no influence on the country's immediate policy. And the country once again will gain a negative impression of the functioning of the democratic institutions.

Why such a panic concerning the debate, gentlemen of the UCD government?

Why do you not want it to be broadcast live on television? No, it is not because viewers will tire of it.

Not All Parties Want Progress

It is so that people will not discover that not all the parties are the same, so that they will not make comparisons, so that they will not draw a distinction between those who really do want progress and those who only say that they do.

Similarly when the PCE advocates unity between socialists and communists it is not playing any political game. This stance takes into account the causes of disenchantment among broad sectors of the working and democratic population.

This disenchantment has been caused by the UCD's policy in government, the policy whereby Captain Pitarch suffers the same period of incarceration in a castle for having defended democracy in his remarks as a lieutenant colonel and another captain who hatched a plot at the Galaxia cafe suffer for carrying out a coup d'etat and imprisoning the government. This policy, which has failed to eradicate the terrorism of "Basque homeland and freedom" and which allows the fascist terrorism clearly connected with "new force" and the falange to prosper and spread.

But the left is not free of responsibility for this disenchantment. It stems also from the fact that the vast mass of workers cannot understand why we socialists and communists are incapable of reaching an understanding and acting together; why even in several councils in which we have formed a majority we are unable to draw up a joint blueprint for municipal policy; why in the trade union field, when unemployment and the employers are launching an offensive, we are unable to form a joint front to defend our class interests.

They cannot understand why, when democracy is threatened, when civil rights must be defended, some people in the workers field are considering solutions independent of a prior agreement within the left.

Communist-Socialist Unity Still the Key

Over and above the circumstantial reasons--which should be important enough themselves--unity between communists and socialists is the key to finding a solution to the process of profound crisis being experienced by capitalism, to the dangers now threatening world peace and the need to pursue a new path to the socialist transformation of society. Socialist-communist unity should be the basis for an alignment of all European popular forces, including Christian forces, which is essential for traveling this new path to a pluralist socialist society in which the principle of popular sovereignty is maintained and strengthened indestructibly.

Sometimes doubt has been cast on whether we communists are now proposing an ideal that can be adopted by the present generations. The desire of those of us who have accepted the name of Eurocommunists is precisely to propose this ideal--an ideal which can be adhered to and adopted by other popular parties and groups in a process of persuasion, not only through propaganda but also through practice.

As is said at the beginning, the workers movement split in the 1920's because the Second International failed with respect to the first imperialist world war and its parties--except for Russia's party--failed to emerge from that conflict by promoting a different kind of society.

Some 60 years have gone by since then, the world has undergone profound changes and the tasks facing today's generations are different. Modes of thinking have therefore changed.

The profound crisis being experienced by the world now confronts us with a danger of nuclear war, which would destroy human life and the different social classes and would eliminate any kind of blueprint for society.

The ideal which we Eurocommunists are putting forward to the modern generations is, first, the healing of the split, the quest for forms for a new unity among the workers and progressive forces, and the steadfast shouldering of this task, on which everyone's future depends.

Marching Behind Unitary Banners

Today, to transform society and prevent it from perishing, we must raise and march behind unitary banners, healing historical resentments and wounds. But the new generations also aspire to both socialism and freedom.

The social democratic blueprint has not achieved socialism in any country and has maintained the essential traits of capitalist society, with injustices and economic oppression against peoples and classes. The social democratic blueprint is not what we need; it does not lie on the path which we want to follow; it is not the solution to today's problems, and many socialists are becoming more and more aware of this.

On the other hand, nor have the socialist models witnessed hitherto managed to mold socialism and freedom in the same reality, for reasons which I will not go into now.

Blocs Lead to Blind Alley

This is why we--like the Italian and Japanese comrades and other communist parties--are trying to find our own path and our own form of socialism within full independence.

And this is why we refuse to split mankind into two major military and ideological blocs. The major blocs have brought us to a stalemate, a blind alley. If we continued along this blind alley we would reach a nuclear war. And then goodbye capitalism, but also goodbye socialism and goodbye communism!

New roads must be opened up. And the peoples must be won over to achieve this. It is an arduous, difficult and complicated task.... But here the old polemic reemerges between Marxist revolutionaries and traditional reformists, when the latter say: the movement is everything; the objectives are secondary.

Strangely, some of those who now consider themselves most radical coincide with traditional reformism when they lend their priority attention to apparently radical action for immediate objectives and lose sight of the conditions under which we are developing and of the need to establish as a priority essential objectives such as the defense of democracy and of world peace and the struggle to surmount the present profound crisis by means of social and economic democracy and the creation of a real road to socialism.

And on this road we workers of the developed or developing countries express our internationalist solidarity with other peoples, supporting their liberation struggles and with an increasing conviction that the resources which exist on the earth and which man can create must be shared with peoples who constitute a large proportion of mankind and who are living in the most abject poverty because of imperialist exploitation.

We want a world from which inequality, oppression and the threat of war will disappear.

We want real socialism and real communism.

We want men and women to gain a society in which they will feel free from fear, free from anxiety about an uncertain future, in which men and women will be fully masters of their own destiny.

This is the ideal which on our 60th anniversary we PCE members offer to present any future generations.

Join our ranks so that peace can triumph over war, so that freedom can flourish and so that socialism and communism can triumph over a society split into classes and oppressed and oppressive peoples.

CSO: 3110

PCE'S AZCARATE EXAMINES ASPECTS OF INTERNATIONAL SITUATION

LD211449 Madrid MUNDO OBRERO in Spanish 11 May 80 p 14

["C.G." report on PCE Executive Committee member Manuel Azcarate 9 May talk in Madrid: "Shortcomings in Spanish Foreign Policy in View of World Crisis"]

[Text] A lengthy exposition of the contributory factors to the present grave international situation, the need for concerted action for peace on the part of the progressive and democratic forces and the rejection of bipolarity and a harsh critique of Spanish Government foreign policy shortcomings were the main aspects of the talk which Manuel Azcarate delivered at Madrid's Ateneo at the invitation of the European Security and Cooperation Association late Friday evening.

Before embarking on his main topic--"Spain in the Context of the Exacerbation of the International Situation" was the title of his talk--Manuel Azcarate described the context of "an extraordinarily serious international situation."

In the speaker's opinion, we are facing "a crisis in the world relations which merged following World War II." This system of relations has undergone two phases: first the attempt to impose the so-called "Pax Americana"--U.S. domination based on its strength and monopoly in nuclear weapons--and second, bipolarity, which emerged as a result of the Soviet economic and military effort, which balanced U.S. hegemony in all fields.

"But perhaps," Azcarate said, "we have painted too rosy a picture of the lengthy detente period," because although there was peace in Europe and we witnessed the signing of SALT I and the Helsinki Accords, in the Third World there were several wars which, like the war in Vietnam, had effects comparable to those of World War II. At the same time there was "the greatest arms race in history."

Futile Manicheanism

The PCE's foreign policy chief then criticized analyses which only acknowledge two camps in the world. He said that this attitude can be described as "simplistic Machicheanism, which, like all simplistic forms of Manicheanism, has a great capacity for penetrating people's minds and is even attractive to certain evolutionary sectors."

But such a form of reasoning fails "because it overlooks the vast awakening of hundreds of millions of human beings as they became history's protagonists." This is how the speaker referred to the growing role of the Third World countries. Going into further detail, the communist leader stressed that "to an extent we are living in a period in which a crisis is emerging in the bipolar system, without any other system having been introduced, however--an era of transition, which is a source of conflicts."

Blocs' Decline

Having pointed out that both major powers are clinging to their positions, though he was not implying any similarity between them, Manuel Azcarate went on to discuss the loss of influence experienced by U.S. imperialism. "This decline," he said, "is creating aggressive tendencies, a return to 'gunboat diplomacy,' as shown by the recent provocations to Cuba and the abortive operation in Iran."

He also pointed to the obvious attempt to achieve Europe's full alignment with Washington's policy, which is not preventing on the old continent tendencies toward an autonomous role.

Next he stressed the importance of the energy issue in these attitudes, as evinced by the move by various European governments toward positions more understanding toward the Palestinian cause. At another juncture during his talk Azcarate emphasized the White House's manipulation of the European discussions of the measures against Iran and its launching of "the crazy operation" against that Asian country before these discussions were even finished. He also emphasized the seriousness of Cyrus Vance's resignation and asked whether this did not reflect "a refusal to occupy an official post in view of something yet to take place," rather than a resignation following a fait accompli.

The chairman of the PCE International Committee also stressed that all this has not brought about an increase in the other bloc's influence. "The main changes," he said, "are taking place outside the bipolar context," citing Iran, Nicaragua and Zimbabwe. He attributed the diminution of the USSR's role to its domestic situation, the strengthening of the currents in favor of military rivalry with the United States and the blocs policy.

"No new attitudes can be observed in the Soviet Union," Manuel Azcarate said, citing the Afghan intervention as the most significant instance of this, at a time when "there is a pressing need to introduce with the utmost speed and efficiency factors of intelligence, independence and cooperation outside the bloc context."

Burning Problems

Discussing the modern world's most topical and dangerous issues, he mentioned the disproportion between Iran's seizure of the hostages and the U.S. attitude to that country: "Carter has closed the path of dialogue. One

wonders whether behind the hostages affair there lies a quest for pretexts for operations--including military operations--enabling the United States to recover lost ground." He also said that to hush up the crimes committed by the shah with Washington's aid is to falsify reality.

Afghanistan's Neutralization

With regard to Afghanistan, he said that "the Soviet troops' situation is obviously becoming increasingly difficult. There is obviously growing internal opposition and external support for it." The solutions indicated by the speaker can be summed up as the implementation of the UN resolutions on the withdrawal of all foreign troops; neutralization; a democratic government elected by the people, and "Afghanistan's return to its position as a nonaligned country." Although pessimistic about the viability of these proposals, he did stress the pressing need for positive steps to help improve the international climate.

With regard to the Middle East, he stressed the need to recognize the Palestinian people's rights and the failure of the Camp David agreements. He referred ironically to the Spanish Government's failure to comply with the resolution passed by the Union of the Democratic Center Congress, in favor of Israel's recognition--a fortunate failure which still leaves our country an opportunity to carry out activity which could be very important in bringing solutions to the conflict.

Next he condemned Adolfo Suarez' remarks in Brussels that he welcomed NATO's decision to deploy new missiles in Europe, at the very time when rightwing European governments were raising serious reservations to the initiative.

Having stressed Europe's responsibility in any peace and disarmament initiative, he described the broad range of forces now in favor of opening negotiations aimed at reducing nuclear arsenals, though he also stressed that there must be real mass participation in this direction.

European Security Measures

According to Azcarate, the danger could disappear under the following conditions: the establishment of European security based on maintaining the present balance of forces, with progressive arms reductions; the freezing of military budgets, the creation of denuclearized and demilitarized zones in Europe as a "pilot experiment"; international monitoring, through the United Nations, of arms trade, and the democratization of interstate relations.

As for the coming Madrid conference, Manuel Azcarate proved more in favor than ever, precisely because in view of the delicate world situation "Spain now has an opportunity to contribute to a policy of peace, detente and disarmament." The PCE leader explained that our country must not play a simply organizational role, but has an obligation to act as a source of initiatives, recalling in this connection the role played by Finland and Yugoslavia at the Helsinki and Belgrade conferences.

He also evoked the figure of Marshal Tito--"a great creator of foreign policy," a man who demonstrated all that a medium-sized country can contribute to the development of international relations.

"Under present conditions," Azcarate said at the end of his talk, "Spain's entry into NATO would be a real provocation, a very grave factor which would considerably aggravate the situation by upsetting the balance of forces."

Postponing NATO Debate

The speaker said that one way of resolving the problem could be to negotiate on an equal footing the bilateral agreements with the United States--"a negotiation which this time will be conducted under entirely different conditions--of democracy and the involvement of parliament and the political parties."

The new 1981 agreement with the United States, Manuel Azcarate suggested, should have as its main guidelines respect for Spain's defense interests; debate on an entirely equal footing; a completely defensive character; no subordination of or conditions on Spanish foreign policy; a ban on transporting, deploying or storing any kind of material connected with nuclear weapons, and a ban on the strategic use of our territory. Furthermore, the entire electronic surveillance network now controlled by a U.S. general resident in his own country should be transferred to Spanish personnel.

Last, the PCE foreign policy chief said he supported the Mediterranean countries' participation in the Madrid conference since they are highly relevant to European security. He launched a harsh attack on the Spanish Government's ambiguities with regard to the Sahara, as on other topics, and condemned the excessive ease with which the cabinet yields to foreign pressure.

"A vigorous Spanish policy as outlined above with respect to the United States, France and everyone else could act as a cold shower for those who have their sights on a conflict in the Western Mediterranean."

CSO: 3110

POLL SHOWS ENERGY, ECONOMY ARE VOTERS' MAIN CONCERNS

Stockholm DAGENS NYHETER in Swedish 28 Apr 80 p 7

[Article by Sven Svensson]

[Text] Sweden's economy stands out as the all important issue as far as voters are concerned, according to a poll taken by the Market Investigation Institute (IMU) for DAGENS NYHETER. But energy and labor/employment issues are still dominant.

"Which two social issues do you consider the most important for politicians to deal with at this time?" IMU put that question to more than 1,600 voters during February and March.

The energy issue got the most votes, 43 percent, the same as in the last poll. Labor/employment came in second, but here the frequency dropped from 41 to 33 percent. The economy rated third, showing a substantial increase, from 20 to 30 percent.

Alcohol and Drugs

Another important change concerns taxes. This issue was important to 14 percent, compared to 19 percent in the last poll. The alcohol/drugs issue gained support, from 8 to 11 percent.

Child care remained at 8 percent, while the family policy rose from 5 to 7 percent and schools declined from 11 to 7 percent. Other results: The environmental issue 6 percent, aid and old-age care 5, health care and criminality 4, trade and the trade balance 3, wages, new housing and the issue of equality 2, rents and fees 1 percent.

Employee funds, working conditions, influence and migration issues did not get any response. Some of those polled only gave one answer and 5 percent did not respond at all.

Energy Questions

Some 43 percent of those polled said the energy issue was the most important. The popular election campaign was underway when the poll was taken.

The labor/employment issue received 33 percent of the votes, compared to 41 percent the last time. Those who considered this issue important were primarily persons with higher education and laborers. Some 50 percent Social Democratic voters said that labor/employment was an important issue, compared to 27 percent of those who vote for the three nonsocialist government parties.

The economy is gaining importance and rose from 20 to 30 percent. Some 38 percent men considered the economy important, compared to 22 percent women. Upper-class people considered the economy important, 47 percent, compared to 27 percent of the labor class.

Some 33 percent Conservative voters pointed to the economy as being the most important issue, compared to 27 percent Social Democrats and 23 percent Left-Wing Communists.

IMU also asked voters whether they felt their particular party devoted enough attention to the various issues.

Satisfied with Left-Wing Communist Party (VPK)

Some 62 percent Left-Wing Communist voters were satisfied with the party. The Conservative Party came in second with 52 percent and 43 percent of the Center Party voters thought the party handled the issues well, compared to 42 percent for the Social Democrats. Only 30 percent of the Liberals were satisfied.

Conservative voters were best satisfied with the party's aid policy; some 72 percent thought this issue was handled well, compared to 67 percent for the economy and 58 percent for energy. There was obvious dissatisfaction with school and environmental policies.

The Liberal Party clearly received the highest honor with respect to the alcohol/drugs issue; some 55 percent of its voters were satisfied. Otherwise, the criticism was sharp. Some 88 percent of the voters felt the Liberal Party was handling the child care issue poorly, 63 percent were satisfied with respect to the economy, 60 percent with schools and 57 percent with the labor/employment issue.

Taxes and Aid

Center Party voters were least satisfied with the energy policy; some 53 percent said the issue was well taken care of, 27 percent poorly. Some 49 percent Center Party voters were satisfied with the economy and the

labor/employment issue. Some 82 percent were dissatisfied with the aid policy and 57 percent with the tax policy.

Some 53 percent Social Democrats said they were satisfied with the party's economic policy, 50 percent with labor/employment and 47 percent with the energy policy.

There was obvious dissatisfaction with old-age care and 52 percent were critical. Social Democrats also protested the tax policy; some 42 percent were satisfied and 48 percent dissatisfied.

Left-Wing Communist voters were satisfied with the energy policy, child care, old-age health care and the economic policy. They were dissatisfied with the aid policy and the alcohol/drugs issue.

8952

CSO: 3109

SOCIALISTS, LABOR MOVEMENT CAN TOPPLE GOVERNMENT

Stockholm DAGENS NYHETER in Swedish 29 Apr 80 p 2

[Editorial]

[Text] Thage G. Peterson was coordinating minister in Olof Palme's government. He is one of the few authorized to speak on behalf of the Social Democratic party leadership.

Under the heading "Overthrow the Government," AFTONBLADET reported on a speech by Thage Peterson to the Social Democratic district congress in Dalarna last weekend:

"Social Democrats alone cannot topple the government, not even by a parliamentary vote of non-confidence," he explained. "The government will give notice of a new election. But if wage earners should succeed in overthrowing the government by means of a major strike, the party leadership would have nothing against it," he promised.

Prior to 1 May party leaders were discussing the political side of the labor conflict.

Thage Peterson's statements were hardly based on random ideas; he might have said something that was not intended to be aired publicly.

A government in Sweden must step down when it loses an election or when it lacks the confidence of Parliament. Our social system does not allow the overthrow of a government by means of strikes. Thage Peterson addressed a fundamental issue and, if his words were accurately perceived, we should feel troubled and dismayed.

Politics and wage issues have formed an unsavory alliance this year. The agitators do not distinguish between professional and political goals since they view the government as being behind the Swedish Employers' Federation (SAF) and SAF as being behind the government. Lars-Erik Nicklasson, chairman of the Public Employees Union within the National Labor Union (LO), said that the conflict first of all is a link in the wage settlement, but that

it also intends to "emphasize that public employees are prepared to fight for their interests in a broader sense." The nonsocialists' "jumping on the public sector" has created a fighting mood among union members.

Social Democratic newspapers basically consider the government responsible for the labor situation. "If a major conflict does erupt, it will primarily be due to the government's prejudice, incompetence and awkwardness," wrote ARBETET.

A government must endure that kind of criticism. Neither the SAP leadership nor the Falldin government have tried hard to separate political and professional issues. But, from that point, there is a long step toward viewing the labor conflict as an element in the struggle for government power.

It is relatively easy to imagine that a major conflict could lead to the fall of the three-party government. If the aim is to overthrow the government, the unions and the Social Democrats together would have the power to do that. In practice, a nonsocialist majority mandate cannot be used to order workers and civil servants back to work against the will of Social Democrats and the labor unions.

What is going on? Much of what we used to take for granted is no longer valid. It is hard to recall a situation in which the lack of confidence in basic issues was so great.

8952

CSO: 3109

EMPLOYERS' FEDERATION ECONOMIST: COST CRISIS CONTINUES

Stockholm DAGENS NYHETER in Swedish 30 Apr 80 p 2

[Article by Danne Nordling and Anders Rottorp]

[Text] "Those who insist there is now room for wage increases because the cost situation has stabilized must be rather ill informed about the actual cost development," according to Danne Nordling and Anders Rottorp, economists with the Swedish Employers' Federation (SAF). "The truth is that the cost crisis is still with us," they write.

Sweden's economy is still in a crisis. To be sure, the situation has improved in the last year, but one should not be deceived by that. Since 1977 and 1978 were such poor years, any positive change seems like an enormous improvement. Actually, 1979 and 1980 will prove to be more critical than the bottom years of previous economic recessions.

The foreign trade deficit will be 20 billion kronor this year. Industrial investments are below the 1970 level. Industrial profits are below those of former recessionary periods. Sweden may also lose a few more percentage points of its foreign markets in 1980, which already have been reduced by 20 percent since 1973.

Explanation

Many of these problems are due to one single factor: too sharp an increase in the cost of wages in Sweden compared to that of foreign countries. And only half of the cost crisis, which flared up during the 1975-77 period, has been extinguished. That is the explanation for a large part of today's problems in Sweden's economy.

The table on the following page shows the change in labor costs per unit produced in Swedish kronor for Sweden and 14 of the most important competitive countries abroad. Sweden's relative cost development is based on the cost index in 1973=100. The 1973 cost index is approximately the average figure for the 5 first years in the 70's.

Cost Increases in Sweden and Abroad

Year	Sweden %	Abroad %	Sweden's Relative Development, Index 1973=100
1974	12.8	16.8	97
1975	22.8	10.5	107
1976	19.1	5.0	122
1977	14.6	11.1	126
1978	6.1	16.0	115
1979	2.4	4.0	113

The figures are based on information from the American Labor Department.

Crisis Continues

At the worst point in the cost crisis, in 1977, Sweden's wage costs had risen 26 percent faster than those of competitive countries since 1973. This difference was later reduced to 13 percent in 1979 due to devaluations and improved productivity. This means that half of the cost crisis is still with us.

Those who insist there is now room for wage increases since the cost situation supposedly has stabilized must be rather ill informed about the actual cost development.

Some may want to argue that it was not high wage increases alone that led to the rapidly growing costs. In a way that is correct. The contributing factors were the large employer tax increases--13 percent in 3 years from 1975 to 1977, the weak growth in productivity and the increase in the exchange rate in connection with the currency snake. With better products and tougher salesmen, Sweden should have been able to handle part of the cost increases.

Mediocre

However, the fault with this argument is that we could not or would not do anything about all these other factors. If we do have mediocre products and salesmen, for example, we must take the consequences in terms of a slower wage development. The same is true if we want to raise employer taxes and the exchange rate. And an inferior development with respect to productivity in Sweden, compared to that abroad, must likewise lead to an inferior wage development.

At the end of the 70's Sweden should probably have had a slower cost development than that of foreign countries in order to maintain its competitiveness. Instead, Sweden's cost increases were more rapid. We must all suffer for that in terms of lower real wages in the beginning of the 80's. No one can do anything about that. We cannot lift ourselves by the hair.

8952

CSO: 3109

PAPER BACKS MUNDEBO ON NEED FOR BELT-TIGHTENING

Stockholm DAGENS NYHETER in Swedish 30 Apr 80 p 2

[Editorial]

[Text] Perhaps the Falldin government's first real belt-tightening message came at a somewhat inopportune time, just before 1 May, precipitating greater union and political confrontations than what the Swedish people are used to or actually approve of. But, better late than never. The supplementary proposal is aimed at the sizeable part of our consumption which is financed by foreign loans and the large share of government expenses that are not met by today's taxpayers but rather those of tomorrow. The choice seems to be by how much we all want to cut out spending today in order not to have to cut back even more in a couple of years.

Social Democrats are criticizing the budget deficit, but do not want to take a position on whether it should be cut at the rate suggested by Mundebo and Bohman, by 7 billion kronor next year, aiming for a balanced budget after 11 years of gradually increasing budget cuts. The atmosphere is marked by tactical passing, hoping to overbid, underbid or somehow find fault with the government's belt-tightening measures, which have just been hinted at so far. It is precisely the attempt to appear the most generous as far as the voters are concerned which has created an almost catastrophic situation that clearly calls for reform. Such reform does not mean more money from the treasury; the situation today calls for constructive and socially beneficial ideas of a different kind.

There are now many historic writings about the changes that have been initiated by the government since 1976; that was the time when the budget deficit started to explode, according to the Social Democrats. However, the basic cause lies with decisions made prior to that date. Automatic increases in transfers in particular are at the root of most of the six-percent growth in expenses from year to year, while the generally accepted restraint with respect to tax increases has meant a slower rate of income, four percent per year. The oil crisis and the industrial aid policy--which Social Democrats in many instances wanted to push even further--have also played a role. When the opposition makes it seem as if the government intentionally

wants to lower the standard of living for a "broad group of wage earners," that is such an obvious misrepresentation that it counteracts its purpose. If we were to eradicate all the capitalists whom the government "allows to get richer" (their profits have been considerably less in the last few years than under the Social Democrats) and let their income benefit the treasury, that would only cover a fraction of the budget deficit. The rest of us are also living beyond the nation's real income.

This has come about partly because the first nonsocialist government in 44 years did not want to become a victim of the Social Democrats' standing criticism that this government could only "make things worse for the wage earner." As the number of nonsocialists declined throughout the world, they wanted to show that they were no more stingy with the common people than were the Social Democrats. That could only be done by borrowing money abroad and from the future--irrespective of ideology. Hence, when the bill comes due, the Social Democrats, the scare-factor behind the policy, should not score points by declaring that they could have governed better.

Consequently, the belt-tightening is inevitable. Pure logic tells us it could also be more effective and less severe if it were to begin with the 1980-81 budget instead of waiting until 1981-82. With the modest hope that the debt can be "reduced" by one percent of the GNP each year, it would be 1992 at the earliest before we could have a balanced budget again. By then the national debt will have grown from 70 billion kroner in 1976 to 500 billion by 1984-85; it will take even longer before the curve flattens out.

Interest on the national debt already amounts to 196 billion and is growing so fast that it alone eats up the savings of the Mundebo-Bohman government. By starting the belt-tightening already this fall, we would avoid getting too far downhill before we could turn things around again. Also, we are in a period of prosperity right now so that employment would be less affected by a moderation in demand than if we waited until the economy turns around. Furthermore, there is more time left until the next dangerous election.

Olof Palme demands that the government specify before 10 May which areas will be subject to cuts. Thus he wants the opponent's cards on the table so that he can decide which cards to play. The government should invite the Social Democrats to be part of a parliamentary savings commission, whose task would be to propose budget cuts of 5 to 7 billion kroner as early as this fall, effective immediately or at the beginning of 1981. The proposal could be left open to change so as to alleviate the fear of preparing an unjust distribution profile. Social Democrats in Norway, Denmark and Finland--in minority or coalition governments--have carried out budget cuts that were equally as harsh as those threatening Falldin or, as some try to score points with by avoiding.

Mundebo pointed out some areas that are open to reconsideration: partial pensions, municipal expansion, housing aid, debt retirement on income tax

returns. Other likely areas would be: one or two health insurance days, dividends, capital gains and other possible deductions that primarily affect relatively wealthy persons, interest and other subventions for both tenants and homeowners. These measures all have in common that they not only tend to reduce a not entirely indispensable consumption (which just happens to be inevitable), but instead tend to increase production and exportation and thus improve the balance of payment without greatly reducing employment. The more realistic and determined policy regarding alcohol and narcotics abuse, which is now being introduced, is primarily aimed at preventing deviation, criminality, early death and other social ills, but, if it proves effective, it would mean great socioeconomic improvements.

8952

CSO: 3109

FORCES COMMANDER DISCUSSES PROBLEMS OF DEFENSE PRODUCTION

LD300911 Stockholm DAGENS NYHETER in Swedish 27 May 80 p 7

[Unattributed report on armed forces commander-in-chief Lennart Ljung interview for Swedish Metal Trades Employers' Association house journal VERKSTAEDERNA: "Commander-in-Chief Lennart Ljung: Electronics--a Weapon Against the Superpowers"]

[Text] While the superpowers build up their arms systems so that they can primarily meet the forces of the other bloc, we can make use of Swedish system solutions that are significantly different from those of the superpowers. It is important for us to be able to find such free areas, "niches," commander-in-chief General Lennart Ljung said.

He is interviewed in the next edition of the Swedish Metal Trades Employers' Association house journal VERKSTAEDERNA.

The commander-in-chief shares the view of the chiefs of the different branches of the defense forces that we must create a Swedish profile for our defense materiel.

"Trends in the world around us are dominated by the two superpower blocs," General Ljung said. "We have to deal with a form of technological arms dialogue, which could be even more marked in the future. In addition the superpowers adapt their fighting units for warfare in those areas which are of current strategic importance, not least Central Europe."

Because of this the commander-in-chief maintained that Swedish system solutions that exploit "the niches" are preferable.

"There are areas that are not totally covered by developments in the superpowers' arms technology, for instance, in the field of electronics. There may be frequency bands both for radio communications and for missile guidance, and equipment to interfere with these as it were," the commander-in-chief said.

The cost of the defense forces has grown considerably during recent years and it has not been possible to acquire all the equipment covered by the 1977 defense resolution, the commander explained.

"The defense forces are, however, now receiving Swedish-manufactured materiel, which from an international point of view is of high standard," General Ljung said. We are now witnessing an important modernization of units in all branches of the defense forces.

But the better quality of defense equipment cannot wholly compensate for the fact that design runs have been shortened. Because of this we have an ever decreasing defense capability in relation to the world around us.

"The situation is made even worse by the relatively large number of civil defense units [fredsfoerband] that have been disbanded in recent years," the commander said. There are to be even more cutbacks in the civil defense organizations [fredsorganisation]."

"Rationalizations and lowering of sights have had an even greater effect on command and administration organization at all levels. Since 1972 the number of employees has fallen by around 4,000 and in the next 5 years staff will be reduced by a further 3,500," the commander said.

By the mid-eighties the personnel in the defense forces will total just over 40,000, divided almost equally between military and civilian posts. This is a reduction of 15 percent in 15 years.

"The defense forces' main problems are to do with future aims and uncertainty over the size of resources they will be granted by the government and Riksdag in the 1982 defense resolution," General Ljung said.

The world situation worries him and since the risk of war has increased the commander-in-chief thinks that there is every reason to step up defense efforts.

Our defense industry will have great significance in the future, too, the commander says, but he believes that it would be of value to divide production more between military and civilian products.

"The Swedish metal trades companies must give priority to greater technological cooperation, the systematic mutual exchange of knowledge and, to an increasing extent, manufactured defense equipment in collaboration," the commander-in-chief pointed out.

CSO: 3109

SPECULATION THAT RPP DEFECTION REFLECTS ALEVI DISSATISFACTION

Istanbul GUNAYDIN in Turkish 30 Apr 80 p 5

[Article by Teoman Erel in the column "Situation in Ankara": "Alevi National Deputy Resigns from RPP"]

[Text] Alevi citizens are complaining of suppression and oppression. Their complaints have redoubled in the last session. They are visiting the newspapers, the politicians they had expected to show interest in them and the political parties where they explain incidents that have happened to them or their relatives. They are asking that interest be shown and they are demanding that their rights be protected.

Applicants in this regard have always turned to the RPP. But the notion that the major opposition party has not taken an energetic stand on the subject is gradually spreading among Alevis.

Tunceli National Deputy Ali Haydar Veziroglu's resignation from the RPP to join the Turkish Unity Party [TUP] has to do with these developments. Although the TUP is a socialist-leaning party, it also has a religious side. Many other Alevis have gathered in the structure of this party.

In the last few elections, Alevi citizens have tended to vote more for the RPP, and the Unity Party had begun a decline. However, mounting attacks since the Kahramanmaraş events had driven Alevis into hopelessness and were pushing them out of the RPP.

Alevis are getting suggestions from two sides. Those of a Nationalist Action Party or similar mentality have been making the Alevis feel that the pressures will be increased by their voting en masse for the RPP. Several years ago a fanatic right-wing national deputy hinted from the floor of the assembly at what continued Alevi voting for the RPP would bring.

Ever since, the Turkish Unity Party has been inviting Alevis to leave the RPP and close up their ranks. The suggestion made to Alevi members of parliament in the RPP was this:

"Let us gather in our own party..."

Tunceli National Deputy Ali Haydar Veziroglu headed this call. There is also talk of his being followed by certain other Alevi members of parliament in the RPP.

These developments are quite thought provoking. RPP General Chairman Ecevit said a week or so ago that the tensions and provocations occurring among such of our neighbors as Iran, Iraq and Syria were playing on ethnic and religious differences and, if the tensions increased, Turkey would be affected by them. Ecevit must have had in mind the growing Alevi discontent in our country when he made this statement.

However, mere words not converted into action will no longer do. The tensions have grown too much. The winds pushing Alevi citizens to break off from a major party and join a smaller but more radical party may herald the storm.

Certainly everyone is opposed to fanning the flames of religious and ethnic differences. But things are getting worse with every passing day. And it is the wrong side of the oppressive, fanatic mentality that is so thoroughly stirring up the broader masses of the citizenry.

We are seeing the hardliners making frequent reference to the founder of the Republic in order to further their own arguments. This is a great wrong. Mustafa Kemal never allowed himself to be caught up in fanaticism and some of the important principles he introduced were intended to soften and negate the differences among us. The principle of secularism was a measure against religious discrimination, a correct and effective measure to help national unity to jell. "Ataturkist nationalism" rejected racism and envisaged the assimilation of all citizens of whatever ethnic origin.

Those who make distinctions among religions, those who set a premium on repression, those who push nationalism into the deadend of racism are serving the forces resolved upon stirring up trouble in the Middle East, not the ideals of Ataturk.

Our nation and our region are in critical circumstances. We must neither set a premium on the separatists nor make the mistake that would push a portion of our citizens into the feeling of isolation and gradually into panic... or physical defiance.

8349

CSO: 4907

DEMOCRATIC PARTY DISSOLVES, SUKAN TO REMAIN INDEPENDENT

Istanbul GUNAYDIN in Turkish 5 May 80 p 5

[Text] Ankara (Special) -- It was resolved as a result of the Democratic Party's [DP] fourth extraordinary congress that the party should be dissolved. At the conclusion of the general assembly conducted under intense debate, it was not agreed that the party should join the JP [Justice Party]. Only three members cast negative votes in the balloting on dissolution of the DP, the other 402 members voting in favor of the resolution.

The congress, convened at the Ankara Golbasi Cinema, took place in a very electric atmosphere and frequent fights were seen to break out.

Former DP General Chairman Ferruh Bozbeyli pointed out in his speech addressing the general assembly that their party was exhausted. "There is no longer any solution but to dissolve the party, but I am opposed to joining the JP," he said. Following Bozbeyli's speech, a proposal was submitted to the chair envisaging dissolution of the party. A committee of seven then discussed the proposal and it was put to the vote of the general assembly. At the conclusion of the voting, 402 members voted for dissolution of the party, only 3 members taking a negative stand.

Sukan to Remain Independent

Party administrators announced that the DP would be dissolved but no decision had been made to join the JP. The DP's only representative in the National Assembly, Faruk Sukan, reportedly will carry on his duties as an independent, joining no party. In a statement following the general assembly, Sukan said, "It is my duty to comply with the final decision of my party. I shall henceforth remain in the Assembly as an independent national deputy."

8349

CSO: 4907

ECEVIT SPEAKS OUT AGAINST LEFTIST EXTREMIST ACTIONS

Istanbul GUNAYDIN in Turkish 1 May 80 p 5

[Text] Ankara (Special) -- In a press conference called yesterday, RPP General Chairman Bulent Ecevit said that they had never approved illegal resistance in connection with May Day and, in reference to the bill presented by 30 RPP members of parliament for a "Labor Holiday" on 1 May, said, "Our colleagues presented this bill without consultation with the governing organs of the party. At a time when Turkey is beset with such grave and serious problems, I find it extremely misguided of certain RPP members of parliament to engage in such superficial problems and to consider it leftism."

Asked whether RPP members of parliament would attend the DISK [Confederation of Revolutionary Worker Unions] meeting in Mersin, Ecevit replied:

"Tomorrow, that is, May Day, all of the RPP members of parliament have to be in the Assembly. When a binding decision of the group is necessary, our basic duty is our duty in the Assembly. I do not think that any RPP member of parliament will go anywhere else. They have no right to do so."

Incidents in Ankara

Speaking of the incidents which had occurred the day before in Ankara, the RPP general chairman said:

"By taking measures far in excess of what was needed against certain situations in various places yesterday which the state could have handled very easily, the way was opened to tension in our opinion. But this is not the problem. The real problem is that a lot of leftist factions are engaging in actions in certain places which have nothing to do with democracy and humanity. To be leftist is first of all to be human. These people are not interested in leftism or humanity. The provocations of which we saw examples yesterday in Ankara bring shame both to the name of leftism and of humanity. Faced by these disturbances, the state usually tries to restrain itself in the measures it takes. Thanks to that, the painful consequences of yesterday's incidents in Ankara were certainly lessened."

"Renounce Illegal Resistance"

In the statement about the 30 April disturbances, Ecevit said that it was inexcusable to lead people into resistance by illegal means, that disturbances of this sort had been seen in Istanbul, Ankara, Mersin and Adapazari and that these municipalities would have to apply disciplinary procedures in the cases of the workers involved. He said:

"However, certain union leaders are deliberately and unjustly dragging workers into illegal behavior and bringing them into needless confrontation with the state and with justice. Therefore, I am speaking to all my worker citizens and, as the RPP general chairman, to RPP workers before it is too late. I appeal to them to give up this unlawful resistance at once."

8349

CSO: 4907

CRITICISM LEVELLED AT PROPOSED CONSTITUTIONAL CHANGES

Istanbul CUMHURİYET in Turkish 23 Apr 80 p 5

[Text] Ankara: In a message issued yesterday in conjunction with the 23 April National Sovereignty and Children's Day, RPP General Chairman Bulent Ecevit criticized the efforts aimed at changing the Constitution, saying that "Those who are unable to stomach a separation of powers — the indispensable necessity of liberal democracy — and who desire a great concentration of power in the hands of the political authority and the central administration have, whether knowingly or not, given way to the desire for a dictatorial regime."

Ecevit stated that certain circles are putting forth the idea that the crises and problems in Turkey stem from the Constitution and from democratic rights and freedoms, and that these people envision basic Constitutional changes and a restriction of democratic rights and freedoms as the solution to these problems. In summary, he said that:

"We are concerned and disturbed that, with such superficial and fallacious analyses and with Constitutional changes and restrictions on democratic rights and freedoms, they will greatly exacerbate the crises and tensions, and that they will jeopardize the principle of national sovereignty, which is the basis of both our Republic and our democracy.

"There is no way that Turkish society will accept living under any other regime than a democratic one; nor will Turkish society countenance seeking a solution to our problems within any framework that is not fully democratic.

"All those who want to avoid exacerbating the current unrest within Turkish society, and who want to avoid making the crisis even worse, must reject such intentions and such projects. The fact that the TRT [Turkish Radio and Television Administration] has been utilized in recent days as a vehicle for such enthusiasms and such plans is a negative and very

disturbing development. It is totally unacceptable for the TMT to air panel discussions and seminars arranged by circles which oppose the Constitution and a Constitutional system and which are seeking a different type of system — especially in such a tense environment as we have today, and, above all, in such a one-sided manner. The TMT, which is an institution governed by the Constitution, must never be utilized as a means for plans aimed at destroying the Constitution."

A communique published yesterday by National Unity Group (MBC) Chairman Fahri Ozdilek which reflected the views of this group said that "The preparations under way for Constitutional changes are aimed at doing away with the existing Constitutional system and replacing it with a dictatorial regime. With these endeavors, the Constitution has been brought to the point of being infringed upon."

The MBC communique criticized the seminar on Constitutional changes held in Istanbul and the fact that this seminar was given extensive coverage by TMT. The communique stated that "The congratulatory telegrams sent to the seminar by the Acting President of the Republic, the Chairman of the National Assembly, and the Acting Chairman of the Senate, all of whom have taken oaths of allegiance to the Constitution, were ominous. Moreover, those who arranged the seminar also showed their skill by having a commander in the armed forces send a congratulatory telegram as well — this in order to influence public opinion by showing [the armed forces] to be in agreement."

Stating that those who had opposed the events of 27 May [1961, when the Turkish military seized power and overthrew Adnan Menderes] are now attempting to destroy the 1961 Constitution, Ozdilek said that "These individuals don't see Turkish society as being worthy of free thought or an independent judiciary. They don't see the sanctity of labor as being just as valuable as freedom of enterprise." Ozdilek's communique also included the following:

"Regimes which are not based upon separation of powers cannot be considered democratic. Unless there is a system of judicial review, one cannot speak of a state based on laws. It is impossible to form a modern, civilized state with a Constitution that restricts freedom of thought or belief or the right to bargain collectively or go on strike, or which has no provisions for judicial review by independent courts to ensure that the laws are congruent with the Constitution. Those who are working to strip the Constitution of all these democratic characteristics are those who do not value, and do not want, the progress and the development of the Turkish people. Those who posit the Constitution as responsible for the economic and political crisis in which our nation has been forced are in actuality either administrators who are unable to give their own incompetence and the fact that, due to their short-sightedness, they are totally devoid of all the characteristics of statesmanship, or else opportunists who want to give labor yet an even smaller share of their own unjust and excessive profits. It is certain that a handful of opportunists and their political accomplices cannot represent the entire nation; the nation's freedom, and its guardianship by those of its sons who are devoted to justice, yet lives on."

PARTISAN ATTITUDE TOWARD POLITICAL MURDERS DECRIED

Istanbul GUNAYDIN in Turkish 12 May 60 p 3

[Column by Husamettin Celebi]

[Text] The slayings of the RPP Adana Provincial Chairman Ahmet Albay and Kayseri Provincial Chairman Mustafa Kulkuloglu, the one following right after the other, aroused a great reaction. Looking at all that was said and all that was written, I felt the need to sincerely repeat one question:

Are these political murders which must by all means be opposed, decried, and prevented? Or are they rather the killings of people of a certain persuasion for political reasons?

RPP leader Ecevit, for instance, says that these two most recent murders are but the latest stage in "the plan to prove that liberal democracy does not work in Turkey and to set the stage for a change that would mean the end of democracy." He charges that this plan has been prepared and is being carried out by "those who have been unable to eliminate the RPP in the purely political contest."

On the other hand, TERCUMAN newspaper reports that, so far, 5 NAP Provincial Chairmen have been killed, and that the number of slain NAP adherents who had formerly served as Provincial Chairmen amounts to 12. In the same report, it is also stressed that the number of NAP District Chairmen who have been murdered is 47. It is further noted that the JP's Kars Provincial Chairman also died in a political murder.

Merely by taking these incidents and these figures into account, either the NAP leader Turkes or the JP leader Demirel could also say that "Certainly, there is a plan to prove that liberal democracy does not work, and to set the stage for a change that would mean the end of democracy."

Turkes, for example, could also say that "This plan has been prepared and is being carried out by those who have been unable to eliminate the NAP in the purely political contest." He could say that "We have suffered greatly from the implementation of this plan; we are still suffering, and, as a result of carrying so many coffins, we have no time left to carry out the normal activities of our party."

In response to this, it makes absolutely no sense to say things such as "But you aren't a normal party, you're fascists." In Turkey, to distinguish between parties as being "normal" or "non-normal" is not a right which is granted to any single group of citizens, or to writers or cartoonists. When any party charges its rivals with such a thing, it can take action to have the mechanism of Political Parties Law Number 648 put into play. Either this mechanism functions or it doesn't. If it does function, then the result is either the desired one or not. These things are not important: The important thing is the equality of the various parties vis-a-vis this mechanism. The important thing is also the fact that the gangsters of both the left and the right are able to decide upon punishment and carry out that punishment savagely, without the operation of the mechanism provided in the law for parties and party adherents. The important thing is also to feel the pain of the thousands of individuals and the hundreds of families who, without even supporting any given party, have been overwhelmed by the pain caused by these punishments. The important thing is also to be able to react immediately and without discrimination to all of these political murders. This is also the civilized thing... the human thing.

We glance backward: When Recep Hasatli was slain in Istanbul, when Cemil Collu was slain in Manisa, when Ali Kaleoglu was slain in Usak, and when Medet Alibeyoglu was slain in Kars, only their own parties spoke out. All the other parties did was send messages of condolence. Now when two RPP Provincial Chairmen from Adana and Kayseri are killed, only the RPP speaks out. Turkes is not even known to have sent a message of condolence. More recently, when the NAP Provincial Secretary from Izmir was killed, nothing was heard from the RPP. And the serious wounding of Ihsan Yucesan, the former NAP Provincial Chairman from Trabzon, wasn't even noted in the newspapers.

These attitudes are wrong. They take us nowhere. It is high time for this to be understood. All those wounded, all those slain, are Turks. All met their fates as a result of their political tendencies — which can only be determined to be illegal by the decision of the courts. Even if they really did commit crimes, such more severe and savage punishments than the ones specified by law for those crimes have been exacted. All the victims — from the JP, the RPP, and the NAP — are the victims of a plan aimed against our system of government and our nation. It must be seen that the target of this plan is not any particular party. It is indeed as if the implementation of the plan had tools "of opposing views." Yet the real target is still the nation and the existing form of government.

To remain nonplussed when a rightist is killed, to ignore the matter when a leftist is slain... To be afraid of losing support by showing any concern... To turn into a virtual nightingale when one of our own persuasion is slain and use that murder for political gain... This is a truly primitive attitude. Such an attitude adds to the honor of no one... Yet it encourages those who initiate and carry out the plan. This is what has happened until now. If we don't take a lesson from this, we are waiting in vain for things to change.

9173

CSO: 4907

MARTIAL LAW COURTS ENJOINED FROM TRYING ARTICLE 141, 142 CASES

Istanbul CUMHURİYET in Turkish 3 May 80 pp 1,9

[Article by Isik Kansu]

[Text] The Council of Affairs of the Supreme Court of Military Appeals has ruled that it would be in contravention of the law for crimes under articles 141 and 142 of the Turkish Criminal Code to be tried in Martial Law Courts. In decision number 1980/50 of the Council of Affairs of the Supreme Court of Military Appeals, it is stated that "The crimes set forth in articles 141 and 142 of the Turkish Criminal Code are not among the widespread violent activities that were the cause of the Declaration of Martial Law."

In a case opened in the military court of the General Staff against six gendarmerie first lieutenants serving in the Armed Forces and charged with offenses under articles 141 and 142 of the Criminal Code, this court ruled that it did not have jurisdiction in such a matter, and thus the case was referred to the Ankara Martial Law Court. After the Martial Law Court then acquitted the six lieutenants for reasons of insufficient evidence, the matter was taken up by Division Four of the Supreme Court of Military Appeals. The Fourth Division annulled the decision on the grounds that the crimes of which the defendants were accused were not the cause of the Martial Law Declaration, and that the Martial Law Military Court was therefore not empowered to rule upon the case. The Chief Prosecutor's Office of the Supreme Court of Military Appeals appealed to the Council of Affairs of the Supreme Court of Military Appeals in a brief which it prepared to request a reversal of the Division's ruling, and thus the matter finally came to be decided upon by the Council.

Decision of Council of Affairs

In the decision by the Council of Affairs of the Supreme Court of Military Appeals with regard to the case in question, it was stated that,

in determining the court to be charged with jurisdiction in the matter, it would be necessary to determine and state explicitly just what the crime was with which the defendants were being charged, and whether or not there was a general and shared commonality of purpose with respect to either the reasons for the Martial Law Declaration or with other crimes over which the Martial Law Courts had exercised jurisdiction.

In the decision by the Council of Affairs of the Supreme Court of Military Appeals it was stated that, in order for the Martial Law Military Court to have jurisdiction, "It would be necessary for crimes which were the cause of the Martial Law Declaration to have been committed prior to the Martial Law Declaration, and for the crimes to have a general and shared purpose with some crime over which the Martial Law Military Court has exercised jurisdiction." The decision also stated that:

"The offenses set forth in articles 141 and 142 of the Turkish Criminal Code are not of the character of widespread violent activities. In addition, they do not present the character of being equivalent to a starting point for violent acts. These crimes, in spite of being the beginning of action, in the stage of decision and preparation, as it were, have nevertheless been determined to be dangerous and to merit legal sanctions on account of the results which they engender. Yet, the element of 'action' did not yet become manifest in these types of activities, and since the activity did not turn into violence, the stage was not reached of necessitating the Declaration of Martial Law."

Must Be Connection

The decision stated that, in order for the Martial Law Military Court to be able to rule upon a given case, the offense committed prior to the Declaration of Martial Law must have some connection with a case being tried in the Martial Law Courts. The decision stated as follows:

"It is not possible for an activity such as forming a communist organization or engaging in communist propaganda to be tried in Martial Law Military Courts unless a connection is present in a strict and legal sense. Crimes may indeed be committed out of a general desire for a communist system. Such crimes may also have a 'common purpose.' However, it is simply not possible to establish the connection of 'a general and shared purpose' between the cases being tried in the Martial Law Military Courts and the crimes in question."

In the conclusion of the decision by the Council of Affairs of the Supreme Court of Military Appeals, it was stated that, since the crimes imputed to the six lieutenants were not those that led to the Declaration of Martial Law and since there existed no general and shared commonality of purpose with any crime with which the Martial Law Courts have dealt, it was contrary to the law for the Ankara Martial Law Command's Military Court, which is attached to the Military Court of the Chief of the

General Staff, to have heard the case, even despite the fact that the defendants were soldiers. This decision was adopted by a majority of the 13-member Council of Affairs, with only one member opposed.

Civilian Courts to Try Case

Following this most recent ruling by the Council of Affairs, Martial Law Courts will not try crimes dealing with articles 141 and 142 which have no connection with the Martial Law Declaration and which have no general and shared commonality of intent with crimes which the Martial Law Courts have dealt with. Following this decision, it is expected that Martial Law Courts with cases on hand related to articles 141 and 142 will rule that they cannot try such cases. Thus crimes related to articles 141 and 142 will be tried by "civilian courts" if committed by civilians and by the military courts of the General Staff and the Land Forces if committed by military personnel.

9173

CSO: 4907

DETAILS ON U.S.-TURKISH DEFENSE PROJECTS GIVEN

Istanbul CUMHURİYET in Turkish 2 May 60 pp 1,9

[Text] Ankara: The contents of the seven projects which will be initiated in the field of joint US-Turkish defense industrial production within the framework of the recently signed Defense and Economic Cooperation Agreement have been announced. Included among these projects are [Turkey's] attaining self-sufficiency in equipment for F-4 and Phantom airplanes, as well as the conversion of M-48 tanks to type M-48a3 or M-48a5 tanks.

The projects in question, contained in the annex to supplementary agreement number two in the field of defense industry cooperation, are as follows:

Fuse production: There is a need for new facilities for the production of various types of fuses. The goal of this project is to increase existing production capabilities by providing new technology and equipment for the production of artillery ammunition, rocket and missile warheads, and various bombs and mines.

Production of propellants and explosives: There is also a need for an increased capacity to produce propellants. The goal of this project is to produce various types of propellants and high explosives in order to provide support to the programs for the production of artillery ammunition and rocket warheads.

Production of assorted rockets: It is necessary that existing manufacturing facilities for the production of various types of rockets be supplemented with new equipment and manufacturing know-how. The purpose of this project is to produce and supply rocket-type ammunition and rocket-equipped materiel to meet the needs of the Turkish Army.

Development of capability and facilities for the refitting of aircraft: There is a need to develop plans and programs to increase [Turkey's]

capability to modernize existing war planes of the Turkish Armed Forces. The purpose of this project is to ensure the capability to replace all the machinery, structural elements, avionic equipment, and other electronic components of the aircraft currently in use, including the F-4 Phantoms.

Construction of a modern frigate and development of overhaul capacity: A program of constructing a modern frigate according to the requirements of the Turkish Naval Forces is to be followed. In parallel with the construction activities, the overhaul capability of the Coluk shipyards is to be increased.

Tank modernization program: The goal of this project is the conversion of the existing M-48 tanks to M-48a3 and/or M-48a5 type tanks, and will include the manufacturing within Turkey of various essential components.

Meanwhile, the Defense Cooperation Agreement signed with the United States has been submitted to the National Defense Commission of the National Assembly.

In response to a question as to why the implementation agreements have not been made public, Ambassador Savlet Aktug, a spokesman for the Ministry of Foreign Affairs, noted that revealing the agreement either as a whole or in part fell within the jurisdiction of the Turkish Grand National Assembly.

9173

CSO: 4907

TURKEY SEES BENEFIT IN U.S. WHEAT EMBARGO ON USSR

Istanbul AKSAM in Turkish 5 May 80 pp 1, 7

[Text] Ankara (TURKISH NEWS AGENCY) -- The U.S. embargo on wheat sales to the Soviet Union because of the Afghanistan events provides Turkey with considerable opportunities for foreign sales, it has been reported.

A study on wheat in Turkey and the world conducted by the Chamber of Agricultural Engineers says that Turkey has a national duty to stress the production of wheat and maintains that Turkey would be able to set off a large portion of its oil expenditures against these foreign sales.

The study notes that Turkey's wheat production in 1978 and 1979 was 76.7 million tons and with the 1980 crop expected to be at least this much, an estimated 10 million tons of wheat will be on the market this year.

Wheat Sales Abroad

Noting that Turkey's wheat sales abroad are 40 percent less than in 1978, the study offers the following data on wheat-related developments throughout the world:

"An agreement concluded between the United States and the Soviets in 1976 provided for the United States to export 8 million tons of cereal grains annually to the Soviet Union and for the Soviets to increase this amount if they wished. However, 25 million tons of the cereal grains which the USSR ordered from the United States within the framework of this agreement remain outstanding because of the embargo. The United States plans to reduce wheat production by a specific amount to prevent the glut that would come in 1980-81.

"The Soviet Union, meanwhile, produced 1.979 billion [as published] tons of cereal grains in 1978-79, 48 million tons less than planned. Thus the cereal grains that the USSR will import for 1979-80 is 34 million tons. The Soviets will have to turn to other nations to make up this deficit."

Price Developments in Cereal Grains

The study reported that great developments were expected this year on the world grains market with prices gradually rising and that world wheat production was down in comparison with 1978 because of drought, but wheat exports throughout the world rose by 10 percent.

Including assertions by the experts that cereal grains stocks are at a level to meet 17 percent of world consumption, the study says, "God willing, the threat of famine is at a stand-off for the years ahead."

Increasing wheat production is a national duty.

The study conducted by the Chamber of Agricultural Engineers, considering the world situation it portrays, speaks of the increase of wheat production in Turkey as a national duty and says, "We wish to inform the public of the need to bear in mind that wheat will soon become as important as oil and that we hereby alert the government, especially authorities of the Ministry of Food, Agriculture and Livestock and the Soil Products Office."

One kilogram of wheat will be equal to 1 kilogram of oil.

Semi Dogan, general chairman of the Chamber of Agricultural Engineers, called for the announcement as soon as possible of wheat base prices and for a price of at least 12.5 liras. "In the 1990's, 1 kilogram of wheat will be equal to 1 kilogram of oil," he said.

In a press conference called yesterday, the chairman of the Chamber of Agricultural Engineers stressed also the need for the Soil Products Office to get into the market effectively in order to prevent the ruin of wheat producers by middlemen and loan sharks and called for an end to the announcement of base prices according to the appraisal of agricultural chambers which think of them as an extension of capital.

8349

CSO: 4907

TURK-IS REPORT WARNS OF SERIOUS UNEMPLOYMENT PROBLEM

Istanbul HURRIYET in Turkish 28 Mar 80 p 8

[Article by Saygi Ozturk]

[Text] Ankara--The Executive Council of Turk-Is [Turkish Confederation of Labor] has submitted to Prime Minister Suleyman Demirel an 11-page report entitled "Employment and Problem of Unemployment." Noting that approximately 300,000 people join the ranks of the unemployed each year, the report says: "A society which exhibits such growth in unemployment must consider the political, social and economic dangers that will ensue. Otherwise, a rise in social unrest leading to social upheavals will be inevitable. Moreover, politicians must worry about ways of maintaining a free democratic regime in a crisis-ridden society which harbors hundreds of thousands of unemployed people."

The report also spells out urgent measures which must be taken in order to counter unemployment. These measures include an increase in the number of work shifts, an end to steps to cut down demand and a reduction in regular work hours.

The Turk-Is report further says that "the social and economic cost of unemployment to society is very high."

Stating that unemployment poses an extremely grave problem for all developing countries, the report notes that the number of unemployed and those working for meager wages around the world is over 300 million and that this figure will exceed 1 billion by the year 2000.

Surplus Work Force

The report claims that the work force, when effectively utilized, is a major factor in ensuring development and when not effectively utilized tends to completely disrupt the social structure through upheaval. The report continues:

"In the First Five-Year Development Plan the employment issue was addressed as a separate target. In the Second and Third Five-Year Development Plans,

however, economic development was taken up as the primary target and it was assumed that the additional wealth to be generated would provide needed employment opportunities. Hence, employment has become a dependent target and all measures have been planned accordingly. However, developments so far have proven that this approach is not realistic. The 15-64 age group, the primary labor pool, has continued to grow faster than the growth in the number of jobs causing an increase in the number of unemployed. This has given an added importance to the employment issue.

"It is estimated that there were 2.34 million unemployed persons in Turkey in 1979. According to this figure the proportion of the surplus work force to the total work force has risen to 14.06 percent.

"According to estimates made by the State Planning Organization around 9 million people are employed in the agriculture sector. Of these, 65 percent are employed as wageless family laborers working on traditional agricultural chores. It is estimated that in the agriculture sector 29 percent of the work force is self-employed, 5.7 percent work for wages and 0.3 percent are employers.

"Small agricultural enterprises form over three-fifths of the total number of such enterprises. In recent years these small enterprises have broken up into smaller units while larger units have grown further. As a result of this process, part of the surplus work force has been absorbed into the agriculture sector, while some agricultural workers have joined the ranks of the unemployed. Thus, only 0.3 percent of around 9 million people own large agricultural enterprises while the remaining 99.7 percent struggle to earn a living for their families by either working on large units or tilling their own small plots which keep getting divided into smaller units. This situation is accelerating the migration from rural to urban areas adding to the gravity of the unemployment problem.

"More than half of those working in the manufacturing industry sector are employed in industries which process agricultural raw materials. Seventy percent of the total work force in this sector, that is around 10 million people, are employed in agriculture-related industries.

"In the industrial sector 92 percent of the work force is employed in manufacturing industries. In this sector the increased use of machine-intensive techniques combined with the failure to attain target growth rates are restricting the growth rate of the industrial work force.

"In recent years the proportion of the work force employed in the agriculture sector has been shrinking with an accompanying increase in the proportion in nonagricultural sectors. [See table] This is a sign of the changing structure of the economy.

Proportional distribution of the civilian labor force among sectors
(males and females in the 15-64 age group)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1978</u>	<u>1979</u>
Agriculture	63.4%	62.2%	60.9%	60.9%	60.4%
Industry	11.7	12.0	12.3	12.7	12.8
Construction	3.5	3.6	3.8	3.8	3.8
Trade	4.8	5.0	5.1	4.4	4.9
Communications	3.5	3.8	4.2	3.4	3.4
Services	12.1	12.5	12.8	14.8	15.1
Unknown	0.9	0.9	0.9	--	--
Total	100.0	100.0	100.0	100.0	100.0

The growth of the proportion of the work force in the nonagricultural sectors has remained below expectations.

"In 1979, the largest percentage increases in employment in nonagricultural sectors were noted in the energy industry (4.25 percent increase), the banking and insurance industry (2.95 percent) and the public and private services sector (2.81 percent).

"During the same year, in the agriculture sector there was a surplus and idle work force even at periods of peak agricultural activity. These hidden jobless numbered 840,000 in 1973, 800,000 in 1975 and 750,000 in 1975; their pressure was and is an accelerating factor in the migration from rural to urban areas.

"The social and economic cost of unemployment to society is very high. Not only the unemployed person, but also his or her family is deprived of an income. Moreover, long periods of high unemployment rates are causing a certain amount of damage to the structure of the work force. These, in turn, give rise to factors which disrupt the social balance of society, such as; emotional depression, a rise in the crime rate and the dissolution of the family unit. Unemployment, moreover, is the cause of infusion of new political thoughts and beliefs into existing social institutions and the creation of new groups."

The Turk-Is report then examines the factors contributing to the rise in unemployment:

"In manpower planning, the training of a qualified work force must be in step--both in nature and quantity--with the demand around the country. Also, in the distribution of this work force effort must be exerted to optimize social and economic advantages. At present there are imbalances in the distribution of the working population among various professions.

"Not enough has been done in manpower training to match the original objectives. Training has not been practice-oriented and its link with production has been weak.

"Whereas some professions have suffered irremediable manpower deficiencies, others have been inundated with an excess of workers. As a result, members of these professions are not productively employed. In order to correct the errors of the training policy which has caused this situation it is necessary to determine manpower demand in each profession and to set up on the spot training facilities depending on the size of the demand.

"Another issue that needs attention concerns the reluctance of qualified personnel to transfer and work in underdeveloped regions mostly because of poor government services and social activities in those regions.

"At present a large gap exists between the wages paid in the private and public sectors. As a result the work force generally shifts over to the private sector at its most productive period. This constitutes a loss for the public sector.

"A long-term manpower training plan based on the manpower needs of the economy; the transformation of some high schools into vocational schools; the preparation of regional training programs, and efforts to optimize economic and social advantages may bring solutions to the problems mentioned above.

"Investments and fixed capital outlays help to increase employment. However, in planning investments priority must be given to labor intensive technologies except in the case of capital intensive technologies which are indispensable for the development of the country such as heavy industry, metallurgy, electronics and other similar industries.

"In the agriculture sector ways--such as the use of artificial fertilizers and good seeds--must be sought to increase employment. Effective use must be made of such methods to increase agricultural production and to make this sector absorb a larger proportion of the work force."

The report notes that unemployment in Turkey, currently estimated at 15 percent, will rise further in the coming years and become the number one problem in the country unless countermeasures are taken. The report says: "Around 500,000 persons are expected to join the labor market each year. Of these, 80,000 are expected to find jobs in industry and 120,000 are expected to be employed in services. The remaining 300,000 are expected to join the ranks of the unemployed." Recalling the 42d article of the Constitution, which states that the "State takes steps to prevent unemployment," the report says:

"At this point there is not much room to put off solutions to the problems. Turkey is compelled to increase its production, to make larger use of its potential and to reactivate speedily its suspended investment projects. For this reason steps to foster employment must be clearly specified in all 5-year plans and annual programs and these steps must be implemented scrupulously. The problems of industrialization and development must be solved together with the problem of unemployment. In view of the fast pace of industrialization and the precepts of social justice it is impossible to evade such a conclusion."

Proposals

The Turk-Is report submitted to the prime minister later proposes the following short-term measures to foster higher employment:

1. An increase in the number of work shifts--such as three or four shifts in industry and services--will both enlarge employment capacity and boost production which is equally important. The number of work shifts must be increased within the limits of production means, but without a reduction in existing wages or wage increases that may ensue from collective agreements.

2. Steps to cut down demand in order to counter inflation must not be resorted to. Lower demand means lower production and hence higher unemployment. Only increased production can effectively counter inflationary pressures. Moreover, in trying to cut down demand one must take into account the social and economic drawbacks that such methods may bring.

3. Steps must be taken to stop the flight away from money, investment and labor that has been caused by the crisis Turkey is facing. The windfall profits made as a consequence of inflation must be channeled in an orderly manner to those who can create economic wealth.

To that end priorities must be established within a system to be set up jointly by the Ministries of Industry, Finance and Commerce and the decisions taken must be followed through scrupulously.

4. Working hours must be reduced. This way not only will the working hours in Turkey be brought into line with ILO suggestions and working hours in effect around the world, but new jobs will also be created given the number of manhours required for normal production.

5. Unemployment insurance must be introduced. Unemployment benefits must be paid to those jobless persons whose employment for the time being is impossible till such time as a rational employment level is attained.

9588

CSO: 4907

PACE OF EMIGRATION QUICKENS IN TUNCELI

Istanbul AYDINLIK in Turkish 28 Mar 80 pp 5, 7

[Text] Tunceli--A sizeable increase has been noted recently in the number of people leaving Tunceli for foreign countries. Long lines start forming at the Tunceli Passport Office in the early hours of the morning and remain there till dusk. Although there has been no official comment about this high rate of departures, the fact that almost a majority of those leaving are young people is explained in various ways by the public. Most of those leaving travel as tourists or the invited guests of residents in other countries. As a result, many are not admitted at border crossing points; others are eventually turned away from the countries they go to. Guest workers on home leave say that many of those entering foreign countries as tourists or guests ask for asylum and that many others are living under very difficult conditions.

Unrest Primary Reason for Departures

Conversations we had with people who were leaving the country revealed that many of them wanted to leave because of the chaos reigning in Tunceli. A large number of persons--who asked to remain anonymous for fear that they might have complications in their applications to leave--said that the primary reason for their wish to leave was the chaos in Tunceli. Celal Yildiz, a resident leaving for the FRG with the hope of finding work, says about his reasons for departure: "What can I do? There is no place here; there is no place to work. Even if you can find a job you cannot work in peace. If you find a job in Germany at least you can work in peace."

Many parents are deeply worried about the future of their children. As a result must parents get into large debts and struggle desperately to send their young abroad as soon as possible.

Some parents are trying to persuade their sons and daughters by saying that "there are revolutionaries abroad too" and that "they can be revolutionaries abroad as well." Alisan Yildiz, a civil servant, while trying to persuade his brother to leave suggested: "Go abroad; I will send you to any European country you want the way you would like," as if he were sending him from one province to another.

After every incident in Tunceli many workers working abroad come over and take their whole family away breaking all links with this town. These families, who can reside abroad but not work, then have to live under considerably difficult conditions. A few years ago, Kafi and Mehmet Aras, two brothers working in the FRG, moved all their children to Germany out of anxiety over their security following intense clashes among various groups in Tunceli.

As a result of the increase in the departures out of the country, some pseudo-leftists have begun imposing a "ban on travel abroad." Many fathers have to beg the leaders of the groups their children belong to for permission to take them abroad with them. Many Apoist (extreme leftist group in Turkey) sympathizers who oppose the ban on travel abroad obtain their passports through other parties or from other localities without the knowledge of their leaders. Y.E., an Apoist, says about his family's demand for his departure: "How can I go? They have torn up all the invitations I received. If they find out I am trying to get a passport they will kill me. I can go only if my passport formalities are completed without their knowledge and without me getting involved. That is what one of my best friends did; he is leaving now."

Table I. Number of people living abroad from five villages

<u>Village</u>	<u>Number of dwellings</u>	<u>Number living abroad</u>
Pinarlar	180	27
Kil	45	47
Burnagecit	130	40
Bostanli	50	40
Cambulak	45	15

Table II. Migration trends 1974 to 1980

<u>Year</u>	<u>Number of departures in first 3 months</u>
1974	321
1975	291
1976	489
1977	573
1978	633
1979	699
1980	2,000

9588
CSO: 4907

DRASTIC DECLINE IN WHEAT EXPORTS

Istanbul AKSAM in Turkish 24 Apr 80 p 5

[Text] Ankara -- We are, reportedly, unable to export wheat despite adequate stocks because of transport and marketing problems. Though 49,000 tons of wheat were exported in the first 3 months of this year bringing in \$10.2 million in foreign exchange, a significant drop was noted in comparison with the same period last year both as to amount and foreign exchange earned. According to data obtained from the State Statistical Institute and the Soil Products Office, the wheat exported in the January-March period this year was 287[as published] tons less than last year, with a drop in foreign exchange of \$29.2 million, a 74 percent decline.

Despite Turkey's being in the front ranks of the world's wheat-producing nations, it has been unable to export its surplus, officials report. According to information obtained, the predicament in wheat exports is the result of shipping and marketing problems. Shipping capacity reportedly is inadequate, both by sea and overland, and despite commitments for wheat exports to Libya, Iran, Iraq, Jordan and Tunisia, these commitments have been delayed because of shipping problems and, in some cases, tend not to be met at all.

It has been learned that a meeting will be held soon with Iranian and Iraqi authorities to discuss shipment of the 200,000 tons of wheat exports contracted for earlier. Iraqi authorities reportedly complained to the Turkish delegation which went to Iraq some time ago about the delay in wheat exports from Turkey and refused to raise the transport fee Turkey receives from the crude oil pipeline which Turkey and Iraq built jointly.

Pointing out, in addition, that significant foreign exchange revenues could be earned from wheat exports, sources said that wheat exports could take priority and more foreign exchange than anticipated be earned by bringing in the private sector and authorizing the private sector for exportation.

8349

CSO: 4907

SHIPPING, MARKETING PROBLEMS SLOW WHEAT EXPORTS

Istanbul GUNAYDIN in Turkish 24 Apr 80 p 6

[Text] It has become clear that despite the fact that the wheat supply is adequate we have been unable to export wheat because of problems in transportation and marketing. During the first 3 months of this year 49,000 tons of wheat were actually exported and \$10.2 million of foreign exchange revenue were obtained. Both in terms of amount and foreign exchange obtained this constitutes a significant level of decline over the corresponding period last year. According to information obtained from the State Statistical Institute and the Soil Products Office wheat exported this year during the period January through March shows a decline in amount over last year of 287 tons and the foreign exchange obtained fell \$29.2 million or by 74 percent.

Parties concerned advised that although Turkey is among the front ranks of wheat producing countries in the world she did not show the degree of success in exporting which the excess demand would warrant.

According to information relating to this matter the obstacles which have interfered with the export of wheat are traced to problems of transportation and marketing.

Although commitments for wheat export were made to Libya, Iran, Iraq, Jordan and Tunisia, these commitments were carried out very late because of transportation problems and in some instances are on the point of being abandoned.

9353

CSO: 4907

OZALP RAPPED FOR HANDLING OF PTT INFILTRATION

Istanbul GUNAYDIN in Turkish 11 Apr 80 p 3

[Article by Husamettin Celebi]

[Text] Communications in our day is one of a person's basic freedoms. Our Constitution appraises this truth and recognizes it, and not satisfied with that goes on to say, "The confidentiality of communications is fundamental."

We know that this provision of the Constitution was written in the wake of a revolution and in the consideration of past events. We recall that the past event referred to was a "telephone tapping incident" and that the leaders of the prerevolutionary government were indicted for that event.

Consequently, we were startled to read the disclosure made in Istanbul by the Minister of Communications Husayin Ozalp. According to the remarks which appeared in the newspapers attributed to Ozalp instances have been determined of letters being opened and telephones being tapped. A number of PTT functionaries acting as tools of illegal organizations were the persons responsible for this. These militants in the guise of civil servants passed the information they obtained from eavesdropping on telephone conversations and opening letters to the organizations of which they were a part. Ozalp said "Therefore, political crimes are being perpetrated."

In this context the matter is extremely important. It was to be expected that this importance would be placed before the nation after suitable preparation and "judicial action." For instance, documents and procedures brought against the functionaries who violated a fundamental freedom could have been disclosed at a special press conference. Ozalp did not do this. He preferred to deal with the matter in a meeting with the functionaries. He said words to the effect that perhaps this was not their intent.

In one way or another the fact that a minister has announced that a fundamental freedom has been violated means that there is an important issue involved here. This issue cannot be passed over lightly as Ozalp did in reply to questions addressed to him on the next day. Ozalp is now in the position of having to do the necessary.

What is the necessary?

To determine one by one, in Ankara, Istanbul or other places throughout the country, those who have penetrated the PTT and are serving various splinter groups while working as a civil servant, to inform the public of their names and offenses in detail...what letters may have been opened, what telephones have been tapped, what crimes have been committed, who may have been killed... and to present the proof...it is natural when fundamental freedoms are understood to have been violated by militants in the guise of civil servants that the next step is to start the machinery of the law moving in order to set an example and to insure punishment.

When he was confronted with questions on the second day Huseyin Ozalp, even then, when he could not say, "Such a thing did not happen," elected to try to explain it away, which means that there is something to it. Consequently, it is now imperative to speak out plainly and to present the issue quickly to the public. There is no other satisfactory way.

At this point our people, who have been startled to learn of this Constitutional violation, can expect no other service from the minister of communication than just this. The rectifying of services related to freedom of communication and matters such as the facilitating and speeding up of communications are now far behind plan. A PTT lacking in confidentiality and public confidence has lost its importance.

The state must preserve public confidence in its means of communication. The duty belongs to Huseyin Ozalp. The nation expects this duty to be carried out.

9353

C50: 4907

CAREER PROFILE OF KORKUT OZAL

Ankara YANKI in Turkish 14-20 Apr 80 p 13

[Text] When brothers Turgut and Korkut Ozal were studying at the Istanbul Technical University in early 1950 they organized a club called the "Aculturation to Istanbul for Those From the Heart of Anatolia Club," and they commenced with 10 members. Once every month they drew lots and the winner was treated to fine meal with money collected from all the others and afterwards taken to the red light district in Beyoglu's back streets. The club continued until the Ozal brothers graduated from the Technical University.

Turgut Ozal, the man who is seen as the "savior of the Turkish economy" now that Demirel is in office, was in the Electrical Department of the Technical University in the same years that Erbakan was in the Mechanical Department and Demirel in the Construction Department. Turgut Ozal says, "My friendship with Demirel began immediately upon my graduation." During the university years Erbakan and Demirel were apparently among the 20-30 persons who attended services at the small mosques in a university building. However, his real friend was Sevkettin Demirel. He was with Suleyman Demirel in the Research Office of the Electrical Works. Demirel was sent to the United States in 1952 for specialized training, Turgut Ozal in 1953. Later on Demirel became General Director of the Water Works, and Turgut Ozal was assigned to the advisor's office. In 1959 he entered military service where once again he encountered Demirel, who entered military service in 1960 after the revolution, while teaching in the Quartermaster's School. He says, "Demirel was my best pupil. He used to get the best marks." Later, when the Planning Organization was organized, Ozal joined at the invitation of Ayhan Cililingiroglu. Demirel also came there to continue his military service. In 1965 Demirel chose T. Ozal to be his personal advisor, and 2 years later appointed him to be Undersecretary of Planning. In 1970 he prepared measures to clarify written communications.

Because Turgut Ozal was in disagreement with most of the old planners, chief among them Atila Karaosmanoglu, Karaosmanoglu dismissed him following 12 March and Ozal went to work for the World Bank in the United States for 2 and 1/2 years. He will never forget being in Turkey and about to board a plane to Switzerland in response to an invitation, when he was escorted

off the plane "like a thief." When a similar incident developed as he was leaving for the United States the then President Cevdet Sunay invited him to tea, as he says, "as a form of apology." Turgut Ozal was a Justice Party candidate in the general elections but failed to be elected. Unlike his brother Korkut Ozal, he is not a member of the National Salvation Party but a Justice Party adherent [sic].

Ibrahim Deriner, who was T. Ozal's General Director in the Research Office of the Electric Works and was later minister of energy, did not favor him. This is attributed to incidents between Deriner and Ozal's later wife, who worked as a typist in the same office and which continued right up to the time Ozal and she were married. T.Ozal's service as undersecretary for planning led to a close relationship with Demirel. It is claimed that preparations for the formation of the National Order Party [MNP] and the National Salvation Party [MSP] were made in Ozal's Planning Office. Temel Karamollaoglu, Agah Oktay Guner, Recai Kutan are his friends from those days.

It is still being debated how the paragraph on page 81 of the Development Plan II stating "Graduates of the Imam Hatip schools shall be accorded university entrance rights," was inserted. It is known that Committee Chairman Ismet Sezgin noticed this situation and rectified it with Demirel's intervention.

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CSO: 4907

TURKEY

BRIEFS

NEW PASSPORT ISSUANCE--Because of an increase in passport forgeries, the Ministries of the Interior, Foreign Affairs and Finance have decided on certain new measures, the first of which entails the changing of all passports. A gelatinous paper, which is to be imported from Sweden, shall be placed over the name and photograph sections of the passport, thus preventing even the smallest alteration to these sections of the passport. After a new passport, printed at the Istanbul Mint, has been issued, the page containing the name and photograph of the person to whom it is to be issued shall be covered with a special type of paper and then sealed with a special tape. Any attempt to remove this gelatinous paper will result in the destruction of the page and persons possessing a passport that has been tampered with in such a way shall be liable for prosecution. Finance Ministry officials indicated that they will begin the printing of these new passports shortly and that an allocation has been made in the 1980 budget for the importation of this special paper. After these new passports have been printed, persons applying for a new passport will be issued the new variety. Those persons already possessing a passport shall be required to exchange their old passports for new ones. In other news, because the Ministry of Finance has been unable to print passports for several months a passport shortage has sprung up in several cities. Officials from the Ministry of the Interior pointed out that citizens were left in a difficult position because the security authorities do not have a sufficient supply of blank passports. [Excerpts] [Istanbul HURRIYET in Turkish 13 May 80 p 3]

DEMOCRATIC PARTY DISBANDS--The Democratic Party made a decision to disband at the conclusion of its Fourth Extraordinary Congress. Merger with the Justice Party was rejected by the party at the end of the General Council which was held amidst intensive debate. There were only three dissenting votes in the vote to disband the Democratic Party, the remaining 402 members cast their votes in favor of the decision. The Congress, which was held at the Ankara Golbasi movie theatre, took place in an electric atmosphere and was the scene of several fights. In his speech before the General Council, former chairman of the Democratic Party Ferruh Bozbeyli pointed out that the party had run its course and stated: There is no alternative

but to disband the party. However, I am opposed to merger with the Justice Party." Following Bozbeyli's speech a resolution calling for the dissolution of the party was submitted to the Council President. After the proposal was discussed by a seven-man committee it was submitted to the General Council for approval. In the end, 402 members voted for the proposal, 3 against. Party leaders reported that a decision had been made to disband but that no decision had been made regarding merger with the Justice Party. The Democratic Party's only parliamentary representative Faruk Sukan stated that he will continue to serve in the Assembly as an independent and that he will not transfer to any other party. [Excerpts] [Istanbul GUNAYDIN in Turkish 5 May 80 p 5]

AGRICULTURE MINISTER ON DEVELOPMENT--While pointing out that 60% of the population in Turkey works in the agricultural sector during a press conference he held in Izmir, Minister of Food, Agriculture and Livestock Breeding Cemal Kulahli stated: "Our country is an agricultural country that needs to industrialize. We cannot be successful in our quest for development unless we reduce the number of persons working in the agricultural sector in our country to 25% of the population." Also, noting that most of the great tracts of land in Turkey are being divided up in the transfer of land from father to son to grandson by inheritance, Kulahli asserted that this practice should be abolished just as it has been in many other nations. [Excerpts] [Istanbul GUNAYDIN in Turkish 13 May 80 p 5]

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